

FORTY-SECOND DAY

St. Paul, Minnesota, Monday, April 19, 2021

The Senate met at 11:00 a.m. and was called to order by the President.

The members of the Senate paused for a moment of silent prayer and reflection.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

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

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Carlson, Champion, Clausen, Coleman, Duckworth, Eaton, Eichorn, Eken, Isaacson, Kunesh, Latz, Newman, Newton, Osmek, Senjem, and Wiklund.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1684 and 1952.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 17, 2021

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1684: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; authorizing the sale and issuance of state bonds; modifying prior appropriations; modifying various fees and surcharges; modifying various transportation-related tax provisions; establishing a transit sales and use tax; providing for noncompliant drivers' licenses and identification cards; establishing advisory committees; establishing accounts; modifying various provisions governing transportation policy and finance; making technical changes; requiring reports; amending Minnesota Statutes 2020, sections 13.6905, by adding a subdivision; 16A.88, subdivision 1a; 84.787, subdivision 7; 84.797, subdivision 7; 84.92, subdivision 8; 97A.055, subdivision 2; 117.075, subdivisions 2, 3; 160.02, subdivision 1a; 160.262, subdivision 3; 160.266, subdivisions 1b, as amended, 6, by adding a subdivision; 161.115, subdivision 27; 161.14, by adding subdivisions; 161.23, subdivisions 2, 2a; 161.44, subdivisions 6a, 6b; 162.145, subdivision 3; 163.07, subdivision 2; 168.002, subdivisions 10, 18; 168.013, subdivisions 1a, 1m; 168.12, subdivision 1; 168.183; 168.301, subdivision 1; 168.31, subdivision 4; 168.327, subdivisions 1, 6, by adding subdivisions; 168A.11, subdivisions 1, 2; 169.011, subdivisions 5, 9, 27, 42, by adding subdivisions; 169.035, subdivision 3; 169.09, subdivision 13; 169.18, subdivisions 3, 10; 169.222, subdivisions 1, 4, 6a, by adding a subdivision; 169.451, subdivision 3, by adding a subdivision; 169.522, subdivision 1; 169.58, by adding a subdivision; 169.812, subdivision 2; 169.92, subdivision 4; 171.04, subdivision 5; 171.06, subdivisions 2a, 3, by adding subdivisions; 171.07, subdivisions 1, 3, 4, 15; 171.071, by adding a subdivision; 171.12, subdivisions 7a, 7b, 9, by adding a subdivision; 171.13, subdivisions 1, 6, 9; 171.16, subdivisions 2, 3, by adding a subdivision; 171.18, subdivision 1; 171.20, subdivision 4; 171.27; 171.29, subdivision 2; 174.01, by adding a subdivision; 174.03, subdivisions 1c, 12; 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.42, subdivision 2; 174.50, subdivisions 6d, 7, by adding a subdivision; 174.56, subdivision 1; 219.015, subdivisions 1, 2; 219.1651; 296A.07, subdivision 3; 296A.08, subdivision 2; 296A.083, subdivision 2; 297A.64, subdivision 5; 297A.94; 297A.99, subdivision 1; 297B.02, subdivision 1; 299A.55, subdivision 3, by adding a subdivision; 299D.03, subdivision 5; 325E.15; 360.012, by adding a subdivision; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.59, subdivision 10; 473.386, by adding a subdivision; 473.39, by adding a subdivision; 473.391, by adding a subdivision; 480.15, by adding a subdivision; 609.855, subdivisions 1, 7, by adding a subdivision; Laws 2012, chapter 287, article 3, sections 2; 3; 4; Laws 2013, chapter 143, article 9, section 20; Laws 2019, First Special Session chapter 3, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 297A; 345; 473; repealing Minnesota Statutes 2020, sections 168.327, subdivision 5; 169.09, subdivision 7; 171.015, subdivision 7; Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, 6; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; 7470.0700.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1159.

H.F. No. 1952: A bill for an act relating to operation of state government; appropriating money for the legislature, office of the governor and lieutenant governor, state auditor, attorney general, secretary of state, certain state agencies, boards, commissions, councils, offices, Minnesota State Lottery, Minnesota Humanities Center, certain retirement accounts, and military and veterans affairs; cancelling certain 2021 appropriations; designating the state fire museum; changing provisions for

the legislative auditor and Legislative Coordinating Commission; authorizing virtual payments; creating the capitol flag program; modifying provisions for Tribal governments, state budget and forecast, administrative operations, general services revolving fund, grants, motor pool, historic properties and historical societies, taxpayer assistance grants, background checks, lawful gambling, election administration, campaign finance, Office of MN.IT Services, open meeting law, municipal planning, port authority, municipalities, metropolitan government, Duluth entertainment and convention center complex, bids and letting of contracts, and dedication fees; auditing state use of federal funds; creating the Office of Enterprise Sustainability; requiring racial equity impact assessments; requiring sensory accessibility accommodations; establishing the Legislative Commission on Cybersecurity; designating India Day; requiring SEGIP to contract with a pharmacy benefit manager; requiring a strategic plan for state space consolidation and moving; certifying legislative funding needed; requiring a study of L'Orient Avenue property use; prohibiting contracts with certain vendors; requiring the secretary of state to display business addresses on its website; modifying staff reduction provision, electric vehicle charging, police canine officers, and federal funds replacement; making policy and technical changes to various military and veterans affairs provisions including provisions related to the adjutant general, housing, veterans benefits, and veterans services; allowing deferred prosecutions for former and current military members in certain circumstances; classifying data; making changes to the military code; modifying certain requirements and qualifications; making jurisdictional and appellate changes; providing punishable offenses under the military code; providing penalties; amending Minnesota Statutes 2020, sections 3.302, subdivision 3; 3.303, subdivision 1; 3.971, subdivision 2, by adding a subdivision; 3.972, subdivisions 2, 2a; 3.978, subdivision 2; 3.979, subdivision 3; 4A.01, subdivision 3; 4A.02; 5.30, subdivision 2; 5B.06; 8.31, subdivision 1; 10.44; 10.45; 10.578; 10A.01, subdivisions 4, 7, 9, 11, 16a, 17c, 18, 20, 26, 27, 28, 35, by adding a subdivision; 10A.09, subdivisions 1, 2, 5, 6, by adding a subdivision; 10A.12, subdivisions 1, 2; 10A.121, subdivision 2; 10A.13, subdivision 1; 10A.17, subdivision 4; 10A.20, subdivisions 3, 6a, 13, by adding a subdivision; 10A.27, subdivision 13; 10A.275, subdivision 1; 10A.323; 13.607, by adding a subdivision; 13D.01, subdivisions 4, 5; 13D.015; 13D.02; 13D.021; 15.01; 15.057; 16A.06, by adding a subdivision; 16A.103, subdivision 1; 16A.152, subdivision 2; 16B.24, subdivision 1, by adding a subdivision; 16B.2975, by adding a subdivision; 16B.48, subdivision 2; 16B.54, subdivisions 1, 2; 16B.98, by adding a subdivision; 16E.01; 16E.016; 16E.02; 16E.03, subdivisions 1, 2, 3, 6; 16E.036; 16E.04, subdivision 3; 16E.0465, subdivision 2; 16E.05, subdivision 1; 16E.07, subdivision 12; 16E.21, subdivision 2; 43A.046; 43A.23, subdivision 1; 97A.057, subdivision 1; 135A.17, subdivision 2; 138.081, subdivisions 1, 2, 3; 138.31, by adding a subdivision; 138.34; 138.40; 138.665, subdivision 2; 138.666; 138.667; 138.763, subdivision 1; 190.07; 192.67; 192A.02, subdivision 2; 192A.021; 192A.111; 192A.15, subdivisions 1, 2; 192A.155, subdivision 2; 192A.20; 192A.235, subdivision 3; 192A.343, subdivision 3; 192A.353, subdivision 2; 192A.371; 192A.384; 192A.56; 192A.612; 192A.62; 197.791, subdivisions 4, 5, 5a, 5b; 198.006; 198.03, subdivision 2; 201.014, by adding a subdivision; 201.071, subdivisions 1, 2, 3, 8; 201.091, subdivision 2; 201.12, subdivision 2; 201.121, subdivision 3; 201.13, subdivision 3; 201.161; 201.1611, subdivision 1; 201.162; 201.225, subdivision 2; 202A.11, subdivision 2; 202A.16, subdivision 1; 203B.01, subdivision 3, by adding a subdivision; 203B.02, by adding a subdivision; 203B.03, by adding a subdivision; 203B.04, subdivision 1; 203B.081, subdivisions 1, 2, 3; 203B.11, subdivision 1; 203B.12, subdivision 7; 203B.121, subdivisions 2, 3, 4; 203B.16, subdivision 2; 203B.24, subdivision 1; 204B.06, subdivisions 1b, 4a; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.36, subdivision 2; 204B.44; 204B.45, subdivisions 1, 2; 204B.46; 204C.05, subdivisions 1a, 1b; 204C.10; 204C.15, subdivision 1; 204C.21, subdivision 1; 204C.27; 204C.33, subdivision 3;

204C.35, subdivision 3, by adding a subdivision; 204C.36, subdivision 1; 204D.08, subdivision 4; 204D.13, subdivision 1; 204D.19, subdivision 2; 204D.195; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.27, subdivision 5; 204D.28, subdivisions 9, 10; 205.13, subdivision 5; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.805, subdivision 1; 206.89, subdivisions 4, 5; 206.90, subdivision 6; 207A.12; 207A.13; 207A.14, subdivision 3; 209.021, subdivision 2; 211B.04, subdivisions 2, 3, by adding a subdivision; 211B.11, subdivision 1; 211B.20, subdivision 1; 211B.32, subdivision 1; 270B.13, by adding a subdivision; 270C.21; 349.151, subdivision 2; 367.03, subdivision 6; 367.25, subdivision 1; 383B.041; 412.02, subdivision 2a; 447.32, subdivision 4; 462.358, by adding a subdivision; 469.074, by adding a subdivision; 471.342, subdivisions 1, 4; 471.345, subdivision 20; 473.24; 473.606, subdivision 5; 606.06; 609.165, subdivision 1; Laws 1963, chapter 305, sections 2, as amended; 3, as amended; 4, as amended; 5, as amended; 8, as amended; 9, as amended; 10, as amended; Laws 2006, chapter 269, section 2, as amended; Laws 2013, chapter 85, article 5, section 44; Laws 2019, First Special Session chapter 10, article 1, section 40; Laws 2020, chapter 77, section 3, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 1; 3; 5; 10; 13D; 16A; 16B; 16C; 43A; 192A; 196; 201; 206; 211B; 243; 299C; 471; 609; repealing Minnesota Statutes 2020, sections 3.972, subdivisions 2c, 2d; 3.9741, subdivision 5; 4A.11; 10A.15, subdivision 6; 15.0395; 16A.90; 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.071; 16E.145; 43A.17, subdivision 9; 116O.03, subdivision 9; 116O.04, subdivision 3; 179.90; 179.91; 192A.385; 299D.03, subdivision 2a; 383B.042; 383B.043; 383B.044; 383B.045; 383B.046; 383B.047; 383B.048; 383B.049; 383B.05; 383B.051; 383B.052; 383B.053; 383B.054; 383B.055; 383B.056; 383B.057.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1831.

REPORTS OF COMMITTEES

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

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

S.F. No. 519: A bill for an act relating to corrections; requiring that certain information, assistance, services, and medications be provided to inmates upon release from prison; providing identification cards for released inmates; requiring a homelessness mitigation plan and annual reporting on information relating to homelessness; amending Minnesota Statutes 2020, section 171.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Page 4, line 27, after "finance" insert "and housing finance and policy"

Page 5, line 1, after "finance" insert "and housing finance and policy"

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

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

S.F. No. 82: A bill for an act relating to public safety; increasing penalties for certain assaults on peace officers, judges, prosecuting attorneys, and correctional employees; providing for mandatory minimum sentences; amending Minnesota Statutes 2020, section 609.221.

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

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

S.F. No. 1279: A bill for an act relating to public safety; providing the same weight threshold and penalty for fentanyl as is for heroin; amending Minnesota Statutes 2020, sections 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivision 2; 152.025, subdivision 4.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2020, section 152.01, subdivision 18, is amended to read:

Subd. 18. **Drug paraphernalia.** (a) Except as otherwise provided in paragraph (b), "drug paraphernalia" means all equipment, products, and materials of any kind, except those items used in conjunction with permitted uses of controlled substances under this chapter or the Uniform Controlled Substances Act, which are knowingly or intentionally used primarily in (1) manufacturing a controlled substance, (2) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, (3) testing the strength, effectiveness, or purity of a controlled substance, or (4) enhancing the effect of a controlled substance.

(b) "Drug paraphernalia" does not include the possession, manufacture, delivery, or sale of: (1) hypodermic needles or syringes in accordance with section 151.40, subdivision 2-; or (2) products that detect the presence of fentanyl or a fentanyl analog in a controlled substance.

Sec. 2. Minnesota Statutes 2020, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Fentanyl.** As used in sections 152.021 to 152.025, "fentanyl" includes fentanyl, carfentanil, and any fentanyl analogs and fentanyl-related substances listed in section 152.02, subdivisions 2 and 3."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 1159: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety; appropriating money for specific projects; limiting uses of the highway user tax distribution fund and trunk highway fund; amending various

provisions relating to bicycles; amending project selection processes; amending procedures for disposing of property; amending regulation of small unmanned aircraft; dedicating a percentage of the auto parts sales taxes for transportation purposes; authorizing special vehicle permits; making various changes to vehicle registration, vehicle titles, license plates, and drivers' licenses procedures and fees; amending laws relating to animal-drawn vehicles; modifying school bus inspection criteria; authorizing online driver education; authorizing third-party driver's license testing; amending funding for guideways and busways; requiring Metro Mobility to be included in the forecast; establishing a process to terminate Northstar commuter rail; making various policy, technical, and conforming changes; amending Minnesota Statutes 2020, sections 16E.15, subdivision 2; 84.787, subdivision 7; 84.797, subdivision 7; 84.92, subdivision 8; 117.075, subdivisions 2, 3; 160.02, by adding subdivisions; 160.262, subdivision 1; 160.263, subdivision 3; 160.264; 160.266, by adding a subdivision; 160.93, subdivisions 1, 2, 4; 161.088, subdivision 5; 161.11, subdivision 2; 161.115, subdivision 27; 161.14, by adding subdivisions; 161.167; 161.19; 161.20, subdivision 3; 161.23, subdivisions 2, 2a; 161.44, subdivisions 6a, 6b; 161.465; 162.145, subdivisions 2, 3; 163.07, subdivision 2; 167.45; 168.002, subdivision 18; 168.013, subdivision 1m, by adding subdivisions; 168.12, subdivisions 1, 5; 168.183; 168.187, subdivision 17; 168.301, subdivision 1; 168.31, subdivision 4; 168.327, subdivision 6, by adding subdivisions; 168.33, subdivision 7; 168.63, subdivision 5; 168A.11, subdivisions 1, 2; 168A.151, subdivision 1; 169.011, subdivisions 27, 42, by adding subdivisions; 169.035, subdivision 3; 169.09, subdivision 13; 169.18, subdivision 10; 169.222, subdivisions 4, 6a, by adding a subdivision; 169.451, subdivision 3; 169.522, subdivision 1; 169.58, by adding a subdivision; 169.812, subdivision 2; 169.864, subdivision 4; 169.866, subdivision 3; 169.869, subdivision 1; 171.05, subdivision 2; 171.06, subdivisions 2a, 3; 171.061, subdivision 4; 171.071, by adding a subdivision; 171.12, subdivision 7b; 171.13, subdivisions 1, 6, 7, 9; 171.27; 171.29, subdivision 2; 174.03, subdivisions 1b, 8; 174.185, subdivision 3; 174.24, subdivision 7; 174.285, subdivision 5; 174.40, subdivision 5; 174.50, subdivisions 6d, 7, by adding a subdivision; 174.52, subdivision 5; 174.56, subdivision 1; 174.70, subdivision 3; 174.75, by adding a subdivision; 221.83; 296A.083, subdivision 2; 297A.94; 297A.993, by adding a subdivision; 299D.03, subdivision 2a; 325E.15; 360.012, by adding a subdivision; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.59, subdivision 10; 473.386, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 174; 345; 473; 476; repealing Minnesota Statutes 2020, sections 16A.60; 160.93, subdivisions 2a, 3; 168.327, subdivision 5; 169.09, subdivision 7; 473.13, subdivision 1b; 473.4051, subdivisions 2, 3; Laws 2000, chapter 479, article 2, section 1, as amended; Minnesota Rules, parts 7410.2610, subparts 1, 2, 3, 3a, 5a, 5b, 6; 7411.0535; 7414.1490; 7470.0300; 7470.0400; 7470.0500; 7470.0600; 7470.0700.

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

Page 14, line 13, delete "\$55,976,000" and insert "\$0"

Page 100, after line 21, insert:

"Sec 55. Minnesota Statutes 2020, section 171.13, is amended by adding a subdivision to read:

Subd. 10. **Test locations.** The commissioner must establish locations throughout the state where an individual may take the driver's license knowledge test, road test, or both. At a minimum, the commissioner must establish testing locations in the following cities: Ada, Aitkin, Albert Lea, Alexandria, Anoka, Arden Hills, Austin, Bagley, Baudette, Bemidji, Benson, Blue Earth, Brainerd, Breckenridge, Buffalo, Caledonia, Cambridge, Chaska, Crookston, Detroit Lakes, Duluth, Eagan,

East Grand Forks, Elbow Lake, Ely, Fairmont, Faribault, Fergus Falls, Foley, Gaylord, Glencoe, Glenwood, Grand Marais, Grand Rapids, Granite Falls, Hallock, Hastings, Hibbing, Hutchinson, International Falls, Ivanhoe, Jackson, LaCrescent, LeCenter, Lindstrom, Litchfield, Little Falls, Long Prairie, Luverne, Madison, Mahnommen, Mankato, Marshall, Milaca, Minneapolis, Montevideo, Moorhead, Moose Lake, Mora, Morris, New Ulm, Olivia, Ortonville, Park Rapids, Paynesville, Pine City, Pipestone, Plymouth, Preston, Red Wing, Redwood Falls, Rochester, Roseau, Sauk Centre, Slayton, St. Cloud, St. James, St. Paul, St. Peter, Stillwater, Thief River Falls, Two Harbors, Virginia, Wabasha, Wadena, Walker, Warren, Waseca, Wheaton, Willmar, Windom, Winona, and Worthington. Each location must offer both knowledge tests and road tests, except that the locations in Minneapolis and St. Paul may offer only knowledge tests. The commissioner must offer the same services at each of these locations on the same number of days and the same number of hours that were offered on March 1, 2020. Nothing in this section prevents the commissioner from opening additional testing locations or expanding service at the locations named in this subdivision.

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

Page 125, line 9, delete "2021" and insert "2023"

Page 125, line 10, delete "2022" and insert "2023" and delete "biennium" and insert "fiscal year"

Page 125, line 11, delete "2023" and insert "2024"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 1831: A bill for an act relating to operation of state government; appropriating money for the legislature, office of the governor and lieutenant governor, secretary of state, attorney general, state auditor, and certain state agencies, departments, offices, boards, commissions, councils, Minnesota State Lottery, Minnesota Humanities Center, and certain retirement accounts; canceling certain 2021 appropriated funds; modifying Legislative Coordinating Commission provisions; creating the Legislative Commission on Cybersecurity; modifying the legislative auditor's duties; prohibiting a businesses address on the secretary of state's website under certain circumstances; modifying provisions pertaining to peacetime emergencies, administrative procedures, and distribution of state employees during a layoff; establishing the SAVI program; determining growth of state employment; requiring audits of state use of federal funds; making changes affecting the budget and budget forecast; authorizing virtual payments; modifying provisions affecting the motor pool; changing the name of the office of MN.IT Services; requiring the state to contract with a pharmacy benefit manager; adding provisions related to cosmetology, public employee pay, non-health-related licensing board, gambling, retirement, standard of time, federal funds for COVID-19 spending, executive orders, unfilled state agency positions, obsolete rules report, state surplus property, repair of Christopher Columbus statue, campaign finance, and elections; amending Minnesota Statutes 2020, sections 3.302, subdivision 3; 3.303, subdivision 1; 3.8853, subdivision 4, by adding a subdivision; 3.971, subdivision 2, by adding a subdivision; 3.972, subdivisions 2, 2a; 3.9741,

subdivision 5; 3.978, subdivision 2; 3.979, subdivision 3; 3.98, subdivision 1; 10A.01, subdivisions 26, 35; 10A.09, subdivisions 1, 2, 5, 6, by adding a subdivision; 10A.14, by adding a subdivision; 10A.20, subdivision 13; 10A.27, subdivision 13; 10A.275, subdivision 1; 10A.31, subdivision 7; 10A.323; 12.31, subdivision 2; 13.64, subdivisions 3, 4; 14.05, subdivision 1; 14.389, subdivision 5; 14.57; 15.01; 16A.06, by adding a subdivision; 16A.152, subdivision 2; 16A.28, subdivision 3; 16B.24, subdivision 1, by adding a subdivision; 16B.281, subdivisions 3, 6; 16B.2975, by adding a subdivision; 16B.48, subdivision 2; 16B.54, subdivisions 1, 2; 16E.01; 16E.016; 16E.02; 16E.03, subdivisions 1, 2, 3, 6; 16E.036; 16E.04, subdivision 3; 16E.0465, subdivision 2; 16E.05, subdivision 1; 16E.07, subdivision 12; 16E.21, subdivision 2; 97A.057, subdivision 1; 138.081, subdivisions 1, 2, 3; 138.31, by adding a subdivision; 138.34; 138.38; 138.40; 138.661, subdivision 2, by adding a subdivision; 138.665, subdivision 2; 138.666; 138.667; 138.669; 138.763, subdivision 1; 155A.23, subdivision 16, by adding a subdivision; 155A.271, subdivision 2; 179A.20, by adding a subdivision; 201.061, subdivisions 1a, 3, 4; 201.091, subdivision 4; 201.121, subdivisions 1, 3; 201.225, subdivisions 2, 5; 203B.01, subdivision 3; 203B.04, subdivisions 1, 4; 203B.07, subdivision 3; 203B.08, subdivision 3; 203B.081, subdivisions 1, 2, 3; 203B.12, subdivision 7; 203B.121, subdivisions 2, 4; 203B.24, subdivision 1; 204B.09, subdivision 3; 204B.14, subdivision 3; 204B.16, subdivision 1; 204B.21, by adding a subdivision; 204B.36, subdivision 2; 204C.05, subdivisions 1a, 1b; 204C.10; 204C.12, subdivision 2; 204C.21, subdivision 1; 204C.24, by adding a subdivision; 204C.27; 204C.32; 204C.33, subdivision 1; 204C.36, subdivision 1; 204C.37; 204D.08, subdivision 4; 204D.13, subdivision 1; 204D.195; 204D.27, subdivision 5; 204D.28, subdivisions 9, 10; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.805, subdivision 1; 206.89, subdivisions 4, 5; 206.90, subdivision 6; 207A.13; 207A.14, subdivision 3; 208.03; 208.05; 214.01, subdivision 3; 349.15, subdivision 1; 349.151, subdivision 2; 349A.08, subdivision 9; 353.27, subdivision 3c; 353.505; 367.25, subdivision 1; 412.02, subdivision 2a; 477A.03, subdivision 2b; 645.071; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 15; 16A; 43A; 138; 201; 204B; 204C; 206; repealing Minnesota Statutes 2020, sections 3.972, subdivisions 2c, 2d; 16E.0466, subdivision 1; 16E.05, subdivision 3; 16E.071; 16E.145; 116O.03, subdivision 9; 116O.04, subdivision 3; 135A.17, subdivision 2; 155A.23, subdivision 2; 201.061, subdivision 7; 204C.12, subdivision 3.

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

Page 3, after line 32, insert:

"The legislative auditor may use any unspent amounts appropriated under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 3, paragraph (b), and subdivision 5, paragraph (b); and Laws 2019, First Special Session chapter 9, article 14, section 2, subdivision 3, paragraphs (i) and (j), to conduct audits required by Minnesota Statutes, section 3.972, subdivision 2a, in fiscal years 2022 and 2023."

Page 7, line 2, delete "81" and insert "103"

Page 9, line 28, delete "\$400,000" and insert "\$600,000"

Page 14, after line 33, insert:

"Sec. 36. **MILITARY AFFAIRS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>24,393,000</u>	<u>\$</u>	<u>24,589,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Maintenance of Training Facilities</u>		<u>9,772,000</u>		<u>9,842,000</u>
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<u>Subd. 3. General Support</u>		<u>3,507,000</u>		<u>3,633,000</u>
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<u>Subd. 4. Enlistment Incentives</u>		<u>11,114,000</u>		<u>11,114,000</u>
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The appropriations in this subdivision are available until June 30, 2025, except that any unspent amounts allocated to a program otherwise supported by this appropriation are canceled to the general fund upon receipt of federal funds in the same amount to support administration of that program.

If the amount for fiscal year 2022 is insufficient, the amount for 2023 is available in fiscal year 2022.

Sec. 37. **VETERANS AFFAIRS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>79,851,000</u>	<u>\$</u>	<u>79,389,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Veterans Programs and Services</u>		<u>19,218,000</u>		<u>19,134,000</u>
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The base for this appropriation in fiscal year 2024 and each year thereafter is \$18,236,000.

(a) Veterans Service Organizations.
\$353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This

funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(b) **Minnesota Assistance Council for Veterans.** \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,100,000 each year is for funding the County Veterans Service Office grant

program under Minnesota Statutes, section 197.608.

(g) **Veteran Homelessness Initiative.** \$750,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. This is a onetime appropriation.

(h) **9/11 Task Force.** \$112,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

(i) **Camp Bliss.** \$75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans. This is a onetime appropriation.

Subd. 3. **Veterans Health Care**

60,633,000

60,255,000

(a) **Transfers.** \$59,633,000 the first year and \$59,605,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer in fiscal year 2024 and each year thereafter is \$58,736,000.

(b) Veteran Suicide Prevention Initiative. \$1,000,000 the first year and \$650,000 the second year are to address the problem of death by suicide among veterans in Minnesota. The commissioner of veterans affairs may use funds for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation in fiscal year 2024 and each year thereafter is \$550,000."

Page 15, line 4, delete "80" and insert "102"

Page 16, before line 24, insert:

"Section 1. Minnesota Statutes 2020, section 3.30, subdivision 2, is amended to read:

Subd. 2. **Members; duties.** ~~(a) The majority leader of the senate or a designee, the chair of the senate Committee on Finance, and the chair of the senate Division of Finance responsible for overseeing the items being considered by the commission, the speaker of the house or a designee, the chair of the house of representatives Committee on Ways and Means, and the chair of the appropriate finance committee, or division of the house of representatives committee responsible for overseeing the items being considered by the commissioner, constitute the Legislative Advisory Commission. The division chair of the Finance Committee in the senate and the division chair of the appropriate finance committee or division in the house of representatives~~ The Legislative Advisory Commission is composed of the majority leader of the senate or a designee, the minority leader of the senate or a designee, the president of the senate, the chair of the senate Committee on Finance, the ranking minority member of the senate Committee on Finance, the chair of the appropriate senate committee with budget jurisdiction over the item under consideration, the ranking minority member of the appropriate senate committee with budget jurisdiction over the item under consideration, the speaker of the house of representatives or a designee, the minority leader of the house of representatives or a designee, the majority leader of the house of representatives, the chair of the house of representatives Committee on Ways and Means, the ranking minority member of the house of representatives Committee on Ways and Means, the chair of the appropriate house of representatives committee with budget jurisdiction over the item under consideration, and the ranking minority member of the appropriate house of representatives committee with budget jurisdiction over the item under consideration. The Legislative Advisory Commission members that serve on the commission by being the chair or ranking minority member of the appropriate committee with budget jurisdiction over the item under consideration shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house of representatives membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house of representatives Rules Committee, and by the last senate Committee on Committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of management and budget shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of management and budget shall post to the agency website all actions of the commission. Members

~~shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.~~

(b) Members shall receive traveling and subsistence expenses incurred while attending meetings of the commission.

(c) The chair of the commission alternates between a member of the senate and a member of the house of representatives in January of each odd-numbered year.

(d) The commissioner of management and budget shall serve as secretary of the Legislative Advisory Commission. The secretary shall keep a permanent record and minutes of the commission's proceedings, which are public records.

(e) The commissioner of management and budget shall post to the agency website all actions of the commission.

(f) The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of the commission's members.

Sec. 2. Minnesota Statutes 2020, section 3.3005, is amended by adding a subdivision to read:

Subd. 1a. **Application.** This section applies to the expenditure of all federal money whether that federal money is appropriated under section 4.07 or another section, unless the federal money is specifically excluded from the requirements of this section.

Sec. 3. Minnesota Statutes 2020, section 3.3005, subdivision 2, is amended to read:

Subd. 2. **Governor's request to legislature.** (a) A state agency shall not expend money received by it under federal law for any purpose unless a request to spend federal money from that source for that purpose in that biennium has been submitted by the governor to the legislature as a part of a budget request submitted during or within ten days before the start of a regular legislative session, or unless specifically authorized by law or as provided by this section. A budget request submitted to the legislature according to this subdivision must be submitted at least 20 days before the deadline set by the legislature for legislative budget committees to act on finance bills.

(b) A budget request to spend federal funds submitted to the legislature under this subdivision must clearly identify the federal funds submitted for review under this subdivision and subject to the review period under subdivision 2a. A state agency is prohibited from expending money subject to the requirements of paragraph (a) if the request to spend federal money from that source for that purpose in that biennium has not previously been reviewed by the commission and is not clearly identified in the governor's federal funds budget request for review under this subdivision.

Sec. 4. Minnesota Statutes 2020, section 3.3005, subdivision 2a, is amended to read:

Subd. 2a. **Review of federal funds spending request.** (a) Twenty days after a governor's budget request that includes a request to spend federal money is submitted to the legislature under subdivision

2, a state agency may expend money included in that request unless, within the 20-day period, a member of the Legislative Advisory Commission requests further review. If a Legislative Advisory Commission member requests further review of a federal funds spending request, the agency may not expend the federal funds until the request has been satisfied and withdrawn, the expenditure is approved in law, or, if the commission has not provided a negative review under paragraph (b), the regular session of the legislature is adjourned for the year.

(b) If a member requests further review under paragraph (a), the member may request the chair of the Legislative Advisory Commission to call a public meeting to review the proposed expenditure of federal funds on which the member requested more information. The chair of the commission must call a public meeting of the commission to review the proposed expenditure within ten days. If at the public meeting a majority of the commission members provide a negative recommendation on the proposed expenditure that is under review, the agency is prohibited from expending the money. The commission may hold a separate public meeting and may revoke its negative recommendation. If the negative recommendation is revoked by the commission, the agency may expend the federal funds after the regular session of the legislature is adjourned for the year.

Sec. 5. Minnesota Statutes 2020, section 3.3005, subdivision 4, is amended to read:

Subd. 4. **Interim procedures; urgencies.** (a) If federal money is awarded to the state for expenditure after the deadline in subdivision 2 or while the legislature is not in session, and the availability of money from that source or for that purpose or in that fiscal year could not reasonably have been anticipated and included in the governor's budget request, and an urgency requires that all or part of the money be encumbered or expended before the legislature reconvenes or prior to the end of the 20-day period specified in subdivision 2, it may be allotted to a state agency after the requirements of subdivision 5 are met Legislative Advisory Commission has reviewed the request. If the members of the commission make a positive recommendation or no recommendation, or if the commission has not reviewed the request within ten days after the date the request was submitted, the commissioner may approve the request and the federal money may be allotted for expenditure. If the commission makes a negative recommendation or a recommendation for further review within ten days after the date the request was submitted, the commissioner is prohibited from approving the expenditure of the federal money. If a request to expend federal money submitted under this subdivision receives a negative recommendation or a recommendation for further review, the request may be submitted again under subdivision 2 or 6.

(b) For the purpose of this subdivision, a recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all members entitled to vote on the item.

(c) For the purposes of this subdivision, an urgency exists if:

- (1) the expenditure of the federal funds would prevent imminent harm to life or property; or
- (2) failure to encumber or spend the federal funds before the expiration of the earliest time provided under this subdivision would result in a loss of the federal funds.

Sec. 6. Minnesota Statutes 2020, section 3.3005, subdivision 5, is amended to read:

Subd. 5. **Legislative Advisory Commission review.** Federal money that is awarded and becomes available under subdivision 3, 3a, ~~or 3b, or 4~~ may be allotted after the commissioner of management and budget has submitted the request to the members of the Legislative Advisory Commission for their review and recommendation ~~for further review. If a recommendation is not made within ten days, no further review by the Legislative Advisory Commission is required, and the commissioner shall approve or disapprove the request. If a recommendation by any member is for further review the governor shall submit the request to the Legislative Advisory Commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation. If a member of the commission makes a negative recommendation or requests further review on a request within 20 days after the date the request was submitted, the commissioner is prohibited from approving the expenditure of the federal money. If a request to expend federal money submitted under this subdivision receives a negative recommendation or a request for further review, the request may be submitted again under subdivision 2. If the members of the commission make a positive recommendation or no recommendation, the commissioner may approve the request and the federal money may be allotted for expenditure.~~"

Page 23, after line 16, insert:

"Sec. 20. Minnesota Statutes 2020, section 4.07, is amended by adding a subdivision to read:

Subd. 4. **Federal funds savings; reports.** Beginning July 1, 2021, each state agency must submit a detailed report to the chairs and ranking minority members of the senate Committee on Finance and the house of representatives Committee on Ways and Means, and the chairs and ranking minority members of the legislative committees with jurisdiction over the budget for the agency concerning the use of any federal funds as described within this section. The report must detail the use of any federal funds in the calendar quarter preceding the report that permitted the agency to redirect or reduce the use of state funds. Agencies must continue reporting pursuant to this section on the first day of each subsequent calendar quarter until July 1, 2025, and annually on June 30 of each year beginning in 2026. For the purposes of this section, "agency" has the meaning given in section 16A.011, subdivision 2."

Page 29, line 3, delete "Audit" and insert "Advisory"

Page 31, after line 20, insert:

"Sec. 36. [16A.728] STADIUM PAYOFF FUND.

Subdivision 1. **Creation of fund.** The commissioner of management and budget shall establish the stadium payoff fund in the state treasury.

Subd. 2. **Payoff supplement transfer.** (a) If on the basis of a final closing balance for the general fund for a fiscal year, the amount of the general reserve account under section 297E.021, subdivision 4, exceeds the greater of the stadium-related expenses under section 297E.021, subdivision 3, clause (1), or \$44,000,000, the commissioner shall certify a payoff supplement in the general reserve account. The payoff supplement is equal to the difference between the general reserve account at the final closing of a fiscal year and the greater of the stadium-related expenses, or \$44,000,000.

(b) By October 1 of each year, the commissioner shall transfer the payoff supplement computed under paragraph (a) to the stadium payoff fund.

Subd. 3. **Use of fund.** (a) After the date that the appropriation bonds under section 16A.695 become callable, the commissioner must use the amount in the fund to redeem or defease outstanding debt for the stadium appropriation bonds under section 16A.965 to the extent permitted by the bond contract. The money in the fund is appropriated only for this purpose. Notwithstanding sections 16A.66 and 16A.965, refunding bonds issued after redeeming outstanding debt for the stadium authorized under section 473J.03, subdivision 8, using funds from the stadium payoff fund may be issued without regard to whether the interest to be paid on the bonds is includable in gross income for federal tax purposes.

(b) After receiving the written approval of a majority of the senate members and a majority of the house members of the Legislative Advisory Commission, the commissioner may transfer balances in the stadium payoff fund to the general fund to offset a shortfall in revenue collected under section 297A.994.

Subd. 4. **Report.** By October 15, 2021, and each year thereafter, the commissioner of management and budget must analyze and report to the legislature about the use of the money in the stadium payoff fund, and the amount of the actual and projected payoff balance transfers from the general reserve account. The report should also analyze when the money in the stadium payoff fund will be used to redeem or defease the outstanding debt on the stadium appropriation bonds under section 16A.965. The report must be provided to the chairs and ranking minority members of the house of representatives Committee on Ways and Means and Taxes Committee, and the chairs and ranking minority members of the senate Finance Committee and Taxes Committee.

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

Page 57, after line 30, insert:

"Sec. 80. Minnesota Statutes 2020, section 240.01, subdivision 18, is amended to read:

Subd. 18. **Racing meeting.** "Racing meeting" is a series of days in which racing days are not separated by more than five nonracing days unless approved in advance by the commission.

Sec. 81. Minnesota Statutes 2020, section 240.06, subdivision 7, is amended to read:

Subd. 7. **License suspension and revocation.** The commission:

(1) may revoke a class A license for (i) a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or (ii) a willful failure to pay any money required to be paid by Laws 1983, chapter 214;

(2) may revoke a class A license for failure to perform material covenants or representations made in a license application; and

(3) shall revoke a class A license if live racing has not been conducted on at least 50 racing days assigned by the commission during any period of 12 consecutive months, unless the commission authorizes a shorter period because of circumstances beyond the licensee's control pursuant to section 240.30, subdivision 5.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (4).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 82. Minnesota Statutes 2020, section 240.11, is amended to read:

240.11 LICENSES NONTRANSFERABLE.

(a) Except as provided in paragraph (b), a license issued under this chapter may not be transferred.

(b) A class A, class B, class C, or class D license to provide advance deposit wagering may be transferred with prior approval by the commission.

Sec. 83. Minnesota Statutes 2020, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 84. Minnesota Statutes 2020, section 240.24, subdivision 2a, is amended to read:

Subd. 2a. **Reimbursement.** Increased expenses related to the use of upgraded drug testing technologies and procedures are deemed to be necessary costs within the meaning of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from receipts from card playing activities regulated by the commission.

Sec. 85. Minnesota Statutes 2020, section 240.24, subdivision 3, is amended to read:

Subd. 3. **Fees.** The commission shall establish by rule a fee or schedule of fees that may be used to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the racing reimbursement account.

Sec. 86. Minnesota Statutes 2020, section 240.30, subdivision 5, is amended to read:

Subd. 5. **Limitation.** (a) The commission shall not authorize a licensee to operate a card club if the licensee has not conducted at least 50 days of live racing at a class A facility within the past 12 months or during the preceding calendar year unless the commission authorizes a shorter period ~~because of~~ as a result of an epidemic, natural disaster, flood, war, or other circumstances beyond the licensee's control that made conducting 50 days of live racing untenable for either public or equine health, welfare, or safety.

(b) Any authorization by the commission for a shorter period under paragraph (a), must be approved in writing by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months.

Sec. 87. Minnesota Statutes 2020, section 297E.021, subdivision 3, is amended to read:

Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1:~~

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and any successor appropriation;

(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;

(vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

(vii) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

(viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, clauses (1) to (3), for the fiscal year.

Sec. 88. Minnesota Statutes 2020, section 297E.021, is amended by adding a subdivision to read:

Subd. 3a. **Revenue dedication.** If the commissioner of management and budget determines that the available revenues determined under subdivision 2 are insufficient, the commissioner may add up to \$20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1, to the available revenues under subdivision 3. The commissioner must notify the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee at least 15 days prior to increasing the available revenue under subdivision 3.

Sec. 89. Minnesota Statutes 2020, section 297E.021, subdivision 4, is amended to read:

Subd. 4. Appropriation; general reserve account. To the extent the commissioner determines that revenues are available under ~~subdivision~~ subdivisions 3 and 3a for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965."

Page 58, delete section 72

Page 59, after line 28, insert:

"Sec. 91. Minnesota Statutes 2020, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. **Second chance drawing.** "Second chance drawing" means a drawing in which an eligible nonwinning lottery ticket is submitted to the lottery for entry into a drawing for a chance to win a prize."

Page 59, delete section 74 and insert:

"Sec. 92. Minnesota Statutes 2020, section 349A.08, subdivision 9, is amended to read:

Subd. 9. **Privacy.** (a) The phone number and street address of a winner of a lottery prize is private data on individuals under chapter 13.

(b) Data on an individual, including name, physical and electronic address, and telephone number, that are given to the lottery for direct marketing purposes are private data on individuals

as defined in section 13.02. For purposes of this subdivision, "direct marketing" means marketing conducted by the lottery directly with the consumer.

(c) The name of the winner of a lottery prize that includes a cash payment greater than \$10,000, and the name of a winner of a second chance drawing prize that includes a cash payment greater than \$10,000, are private data on individuals under chapter 13.

(d) The name of the winner of a lottery prize that is classified under paragraph (c) may be made public if the winner provides written consent after the director has informed the winner of the director's intended use of the winner's name.

EFFECTIVE DATE. This section is effective September 1, 2021."

Page 62, line 30, delete everything before "and" and insert "March 1, 2021,"

Page 63, line 1, before the second period, insert "and applies to all federal funds received between March 1, 2021, and June 30, 2022"

Page 65, after line 7, insert:

"Sec. 104. **CONDITIONAL REPEALER.**

The commissioner of management and budget shall report within 30 days that the bonds under Minnesota Statutes, section 16A.965, have been redeemed or defeased to the revisor of statutes."

Page 125, after line 14, insert:

"ARTICLE 5

VETERANS AND MILITARY AFFAIRS POLICY

Section 1. Minnesota Statutes 2020, section 10.578, is amended to read:

10.578 VETERANS SUICIDE PREVENTION AND AWARENESS DAY.

The first Saturday of every October is designated Veterans Suicide Prevention and Awareness Day. Each year, the governor shall issue a proclamation honoring this observance. Each year in conjunction with this observance, the commissioner of veterans affairs shall coordinate activities that raise awareness of, and promote the prevention of, veteran suicides.

Sec. 2. Minnesota Statutes 2020, section 15.057, is amended to read:

15.057 PUBLICITY REPRESENTATIVES.

No state department, bureau, or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the Department of Veterans Affairs, the Department of Transportation, the Department of Employment and Economic Development, the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism shall use any of such funds for the payment of the salary or expenses of a publicity representative. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision.

This section shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 3. [16B.276] CAPITOL FLAG PROGRAM.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Eligible family member" means a surviving spouse, parent or legal guardian, child, or sibling of (1) a public safety officer killed in the line of duty, or (2) a person who has died while serving honorably in active service in the United States armed forces. For purposes of this section, an eligibility relationship may be established by birth or adoption.

(d) "Killed in the line of duty" has the meaning given in section 299A.41, subdivision 3.

(e) "Public safety officer" has the meaning given in section 299A.41, subdivision 4.

Subd. 2. **Establishment.** A Capitol flag program is established. The purpose of the program is to make a Minnesota state flag and an American flag that were flown over the Minnesota State Capitol available to the family members of a public safety officer killed in the line of duty or a member of the United States armed forces who died while in active service. In addition to appropriations provided by law, the commissioner of management and budget may receive gifts to support the program as authorized in sections 16A.013 to 16A.016. The program established by this section is required only to the extent that sufficient funds are available through appropriations or gifts to support its operations.

Subd. 3. **Submission of request; presentation.** (a) A flag request may only be made by a legislator or state constitutional officer on behalf of an eligible family member after verification of the family member's eligibility under the procedures adopted under subdivision 4. The request must be made to the commissioner of administration, and must indicate the type of flag requested, a certification that the family member's eligibility has been verified, special requests for the date the flag is requested to be flown over the Capitol, and the method of presentment. The commissioner may adopt a form to be used for this purpose. With at least 30 days' notice, the commissioner must honor a request that a flag be flown on a specific commemorative date.

(b) Upon receipt of a request, the commissioner shall deliver the requested flags to the requesting legislator or constitutional officer for coordination of a later presentment ceremony. If relevant information is made available, the commissioner shall provide a certificate memorializing the details of the occasion and the date the flag was flown with each flag presented.

Subd. 4. **Verification of eligibility.** The house of representatives, the senate, and each constitutional officer must adopt procedures for the administration of flag requests received from eligible family members, including a procedure for verification of a family member's eligibility to receive a flag.

Subd. 5. **Eligibility; fees.** (a) For deaths that occur on or after August 1, 2021, the family of a public safety officer killed in the line of duty or service member of the United States armed forces

who died in active service is entitled to receive one United States flag and one Minnesota state flag free of charge under this section. If multiple flags of the same type are requested to be flown in honor of the same decedent, the commissioner may charge a reasonable fee that does not exceed the actual cost of flying each flag and preparing a certificate memorializing the occasion.

(b) For deaths that occurred before August 1, 2021, the family of a public safety officer killed in the line of duty or service member of the United States armed forces who died in active service may receive a Minnesota state flag and a United States flag for a fee, unless there are donated, nonstate funds available to provide a flag without a fee. If payment of a fee is required under this paragraph, the commissioner may charge an eligible family an amount that does not exceed the actual cost of flying each flag and preparing a certificate memorializing the occasion.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 190.07, is amended to read:

190.07 APPOINTMENT; QUALIFICATIONS; RANK; TERM; VACANCY.

Subdivision 1. **Qualifications.** There shall be an adjutant general of the state who shall be appointed by the governor within 120 days of a vacancy of the position. The adjutant general shall be a staff officer, who at the time of appointment shall be a commissioned officer of the National Guard of this state, with not less than ten years military service in the National Guard of this state or the armed forces of the United States, at least three of which shall have been commissioned and who shall have reached, at a minimum, the grade of a field officer rank of colonel (O-6).

Subd. 2. **Rank.** The adjutant general shall be promoted, if necessary, directly to and shall hold at least the rank of major general and may be promoted to and including the highest rank authorized under federal law. However, the adjutant general may not be promoted to the rank of major general without having at least 20 years service in the Minnesota National Guard, at least one of which has been in the rank of brigadier general. If not already a major general, the adjutant general's promotion is effective beginning on the date the governor appoints the adjutant general. At the time of appointment and in accordance with the authorities governing federal recognition of officers, the adjutant general is authorized to wear the rank of major general.

Subd. 3. **Term.** The term of the adjutant general is for a single term of seven years from the date of appointment. Section 15.06, subdivisions 3, 4, and 5, governs filling of vacancies in the Office of Adjutant General. The adjutant general shall not be removed from office during a term except upon withdrawal of federal recognition or as otherwise provided by the military laws of this state.

Subd. 4. **Vacancy; acting or temporary adjutant general.** In the event of a vacancy of the adjutant general, the governor may appoint a person qualified under subdivision 1 as an acting adjutant general. If the governor does not appoint an acting adjutant general, the deputy adjutant general as defined in section 190.09, subdivision 1, shall become temporary adjutant general without further official action. Upon taking office, the acting or temporary adjutant general shall have all the powers and emoluments and perform all the duties of the office of adjutant general until a permanent adjutant general is appointed.

Sec. 5. **[196.081] VETERANS STABLE HOUSING INITIATIVE; DATA.**

(a) The commissioner may establish a veterans stable housing initiative. If the commissioner establishes a veterans stable housing initiative under this section, the commissioner must provide resources and support to assist veterans experiencing homelessness in obtaining or maintaining stable housing.

(b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry for purposes of the veterans stable housing initiative is private data on individuals as defined in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating homelessness prevention efforts with:

(1) members of the Minnesota Interagency Council on Homelessness; and

(2) Homeless Veteran Registry partners to address a veteran's episode of homelessness or maintain a veteran's housing plan through Department of Veterans Affairs funded programs.

(c) For purposes of this section, "homelessness" means that a veteran lacks a fixed, nighttime residence.

Sec. 6. Minnesota Statutes 2020, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under ~~subdivisions~~ subdivision 5 and 5a if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 7. Minnesota Statutes 2020, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

- (1) the federal Pell Grant;
- (2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Administration and payments made under the Veterans Retraining Assistance Program (VRAP) Affairs.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

- (1) \$3,000 per state fiscal year; and
- (2) \$10,000 in a lifetime.

(d) For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 8. Minnesota Statutes 2020, section 197.791, subdivision 5a, is amended to read:

Subd. 5a. Apprenticeship and on-the-job training. (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

~~(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a). The commissioner may determine eligibility as provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:~~

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) \$3,000 per fiscal year for apprenticeship expenses;

(2) \$3,000 per fiscal year for on-the-job training;

(3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) \$1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than \$5,000 in aggregate benefits under this paragraph subdivision may be paid to or on behalf of an individual in one fiscal year, and not more than \$10,000 in aggregate benefits under this paragraph may be paid to or on behalf of an individual over any period of time.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b, must not exceed \$10,000 in the eligible person's lifetime.

~~(d)~~ (g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 9. Minnesota Statutes 2020, section 197.791, subdivision 5b, is amended to read:

Subd. 5b. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

~~(b) A person is eligible for additional benefits under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a), clause (1). The commissioner may determine eligibility as provided in subdivision 4, paragraph (e), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:~~

(b) A person is eligible for additional benefits under this subdivision if the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) \$3,000 per state fiscal year; and

(2) \$10,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a, must not exceed \$10,000 in the eligible person's lifetime.

~~(e)~~ (e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

~~(d) If an eligible person receives benefits under subdivision 5, the eligible person's aggregate benefits under this subdivision and subdivision 5 must not exceed \$10,000 in the eligible person's lifetime.~~

~~(e) If an eligible person receives benefits under subdivision 5a, the eligible person's aggregate benefits under this subdivision and subdivision 5a must not exceed \$10,000 in the eligible person's lifetime.~~

Sec. 10. Minnesota Statutes 2020, section 198.006, is amended to read:

198.006 SUPPLEMENTAL PROGRAMS.

(a) The commissioner shall must work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

(b) The commissioner may work with federal, state, local, and private entities to make available appropriate dental services for veterans homes residents. The commissioner may engage with the United States Department of Veterans Affairs to support the dental benefits program authorized under this paragraph.

(c) The commissioner may provide adult day care center programs that offer therapeutic and rehabilitation health care services to veterans and support services for caregivers of veterans. If the commissioner provides adult day care center programs, the commissioner may collect fees from program participants. The commissioner is authorized to apply for and accept federal funding for purposes of this paragraph.

Sec. 11. [609.1056] MILITARY VETERAN OFFENDERS RESTORATIVE JUSTICE SENTENCE.

Subdivision 1. Offenses as a result of military service; presentence supervision procedures.

(a) Except as provided for in subdivision 2, paragraph (f), in the case of a person charged with a criminal offense that is either Severity Level 7, D7, or lower in the Minnesota Sentencing Guidelines, including misdemeanor or gross misdemeanor offenses, who could otherwise be sentenced to county jail or state prison and who alleges that the offense was committed as a result of sexual trauma, traumatic brain injury, post traumatic stress disorder, substance abuse, or mental health conditions stemming from service in the United States military, the court shall, prior to entering a plea of guilty, make a determination as to whether the defendant was, or currently is, a member of the United States military and whether the defendant may be suffering from sexual trauma, traumatic brain injury, post traumatic stress disorder, substance abuse, or mental health conditions as a result of that person's service. The court may request, through existing resources, an assessment to aid in that determination.

(b) A defendant who requests to be sentenced under this section shall release or authorize access to military service reports and records relating to the alleged conditions stemming from service in the United States military. The records shall be filed as confidential and remain sealed, except as provided for in this paragraph. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the condition and its connection to military service. The court, on the prosecutor's motion with notice to defense counsel, may order the defendant to furnish to the court for in camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and its connection to service. Based on the record, the court shall make findings on whether, by clear and convincing evidence, the defendant suffers from a diagnosable condition and whether that condition stems from service in the United States military. Within 15 days of the court's findings, either party may file a challenge to the findings and demand a hearing on the defendant's eligibility under this section.

If the court determines that a defendant suffers from a substance abuse disorder, the court shall order a Rule 25 assessment under Minnesota Rules, part 9530.6615, and follow the recommendations contained in the assessment. If the court determines that a defendant suffers from post traumatic stress disorder, traumatic brain injury, or other mental health conditions, the court shall order a mental health assessment conducted by a licensed mental health professional and follow the recommendations contained in the examiner's report.

(c) If the court concludes that a defendant who entered a plea of guilty to a criminal offense is a person described in this subdivision or the parties stipulate to eligibility, and if the defendant is otherwise eligible for probation, the court shall, upon the defendant entering a plea of guilty, without entering a judgment of guilty and with the consent of the defendant, prosecutor, and victim, defer further proceedings and place the defendant on probation upon such reasonable conditions as it may require and for a period not to exceed the maximum sentence provided for the violation unless extended by the court to complete treatment as per section 609.135, subdivision 2, paragraph (h). If the veteran has previously received a stay of adjudication for a felony offense under this section, the court may in its discretion sentence consistent with this section or deny the use of this section on subsequent felony offenses. If the court denies a stay of adjudication on this basis, the court may sentence pursuant to the guidelines, application or waiver of statutory mandatory minimums, or a departure pursuant to subdivision 2, paragraph (d).

(d) Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided by law, including sentencing pursuant to the guidelines, application or waiver of statutory mandatory minimums, or a departure pursuant to subdivision 2, paragraph (d).

(e) As a condition of probation, the court may order the defendant to attend a local, state, federal, or private nonprofit treatment program for a period not to exceed that period which the defendant would have served in state prison or county jail, provided the court determines that an appropriate treatment program exists. Pursuant to section 609.135, subdivision 2, paragraph (h), the court may extend an offender's probation if the offender has not completed court-ordered treatment.

(f) The court, in making an order under this section to order a defendant to attend an established treatment program, shall give preference to a treatment program that has a history of successfully treating veterans who suffer from sexual trauma, traumatic brain injury, post traumatic stress disorder,

substance abuse, or mental health conditions as a result of that service, including but not limited to programs operated by the United States Department of Defense or Veterans Affairs. If an appropriate treatment provider is not available in the offender's county of residence or public funding is not available, the Minnesota Department of Veterans Affairs shall coordinate with the United States Department of Veterans Affairs to locate an appropriate treatment program and sources to fund the cost of the offender's participation in the program.

(g) The court and the assigned treatment program shall, when available, collaborate with the county veterans service officer and the United States Department of Veterans Affairs to maximize benefits and services provided to the veteran.

(h) If available in the county or judicial district having jurisdiction over the case, the defendant may be supervised by the veterans treatment court program under subdivision 3. If there is a veterans treatment court that meets the requirements of subdivision 3 in the county in which the defendant resides or works, supervision of the defendant may be transferred to that county or judicial district veterans treatment court program. If the defendant successfully completes the veterans treatment court program in the supervising jurisdiction, that jurisdiction shall sentence the defendant under this section. If the defendant is unsuccessful in the veterans treatment court program, the defendant's supervision shall be returned to the jurisdiction that initiated the transfer for standard sentencing.

(i) Sentencing pursuant to this section waives any right to administrative review pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53, subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52, and also waives any right to administrative review pursuant to section 171.177, subdivision 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation is the result of the same incident that is being sentenced.

Subd. 2. Restorative justice for military veterans; dismissal of charges. (a) It is in the interest of justice to restore a defendant who acquired a criminal record due to a mental health condition stemming from service in the United States military to the community of law-abiding citizens. The restorative provisions of this subdivision apply to cases in which a court monitoring the defendant's performance of probation under this section finds by clear and convincing evidence at a public hearing, held after not less than 15 days' notice to the prosecution, the defense, and any victim of the offense, that all of the following describe the defendant:

(1) the defendant was granted probation and was a person eligible under subdivision 1 at the time that probation was granted;

(2) the defendant is in compliance with the conditions of that probation;

(3) the defendant has successfully completed court-ordered treatment and services to address the sexual trauma, traumatic brain injury, post traumatic stress disorder, substance abuse, or mental health conditions stemming from military service;

(4) the defendant does not present a danger to the health and safety of others including any victims; and

(5) the defendant has demonstrated significant benefit from court-ordered education, treatment, or rehabilitation to clearly show that granting restorative relief pursuant to this subdivision would be in the interest of justice.

(b) When determining whether granting restorative relief under this subdivision is in the interest of justice, the court may consider, among other factors, all of the following:

(1) the defendant's completion and degree of participation in education, treatment, and rehabilitation as ordered by the court;

(2) the defendant's progress in formal education;

(3) the defendant's development of career potential;

(4) the defendant's leadership and personal responsibility efforts;

(5) the defendant's contribution of service in support of the community;

(6) the level of harm to the community from the offense; and

(7) the level of harm to the victim from the offense with the court's determination of harm guided by the factors for evaluating injury and loss contained in the applicable victim's rights provisions of chapter 611A.

(c) If the court finds that a case satisfies each of the requirements described in paragraph (a), then upon expiration of the period of probation the court shall discharge the defendant and dismiss the proceedings against that defendant. Discharge and dismissal under this subdivision shall be without court adjudication of guilt. The court shall maintain a public record of the discharge and dismissal.

(d) If the court finds that a defendant placed on probation under subdivision 1 does not satisfy each of the requirements described in paragraph (a), the court shall enter an adjudication of guilt and proceed as otherwise provided by law, including sentencing pursuant to the guidelines, application or waiver of statutory mandatory minimums, or a departure pursuant to paragraph (e).

(e) If the charge to which the defendant entered a plea of guilty is listed under subdivision 1, paragraph (a), and is for an offense that is a presumptive commitment to state imprisonment, the court may use the factors of paragraph (a) to justify a dispositional departure or any appropriate sentence, including the application or waiver of statutory mandatory minimums. If the court finds that paragraph (a), clauses (1) to (5), factors, the defendant is presumed amenable to probation.

(f) This subdivision does not apply to an offense for which registration is required under section 243.166, subdivision 1b, a crime of violence as defined in section 624.712, subdivision 5, or a gross misdemeanor or felony-level domestic violence offense.

Subd. 3. Optional veterans treatment court program; procedures for eligible defendants.

(a) A county or judicial district may supervise probation under this section through a veterans treatment court using county veterans service officers appointed under sections 197.60 to 197.606, United States Department of Veterans Affairs veterans justice outreach specialists, probation agents, and any other rehabilitative resources available to the court.

(b) "Veterans treatment court program" means a program that has the following essential characteristics:

- (1) the integration of services in the processing of cases in the judicial system;
- (2) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;
- (3) early identification and prompt placement of eligible participants in the program;
- (4) access to a continuum of alcohol, controlled substance, mental health, and other related treatment and rehabilitative services;
- (5) careful monitoring of treatment and services provided to program participants;
- (6) a coordinated strategy to govern program responses to participants' compliance;
- (7) ongoing judicial interaction with program participants;
- (8) monitoring and evaluation of program goals and effectiveness;
- (9) continuing interdisciplinary education to promote effective program planning, implementation, and operations;
- (10) development of partnerships with public agencies and community organizations, including the United States Department of Veterans Affairs; and
- (11) inclusion of a participant's family members who agree to be involved in the treatment and services provided to the participant under the program.

Subd. 4. **Creation of county and city diversion programs; authorization.** Any county or city may establish and operate a veterans pretrial diversion program for offenders eligible under subdivision 1 without penalty under section 477A.0175. "Pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender shall be dismissed after a specified period of time, or the case shall not be charged, if the offender successfully completes the program of treatment recommended by the United States Department of Veterans Affairs or a local, state, federal, or private nonprofit treatment program.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor must also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Column A

197.791, subdivision 5a

197.791, subdivision 5b

197.791, subdivision 6

Column B

197.791, subdivision 6

197.791, subdivision 7

197.791, subdivision 8"

Renumber the sections in sequence

Amend the title accordingly

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

Senator Gazelka, from the Committee on Rules and Administration, to which was referred

H.F. No. 1077 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1077	969				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1077 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1077, the second engrossment; and insert the language after the enacting clause of S.F. No. 969, the second engrossment; further, delete the title of H.F. No. 1077, the second engrossment; and insert the title of S.F. No. 969, the second engrossment.

And when so amended H.F. No. 1077 will be identical to S.F. No. 969, and further recommends that H.F. No. 1077 be given its second reading and substituted for S.F. No. 969, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Gazelka, from the Committee on Rules and Administration, to which was referred

H.F. No. 1079 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1079	971				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1079 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1079, the third engrossment; and insert the language after the enacting clause of S.F. No. 971, the first engrossment; further, delete the title of H.F. No. 1079, the third engrossment; and insert the title of S.F. No. 971, the first engrossment.

And when so amended H.F. No. 1079 will be identical to S.F. No. 971, and further recommends that H.F. No. 1079 be given its second reading and substituted for S.F. No. 971, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 519, 82, 1279, 1159, and 1831 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1077 and 1079 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Rarick and Tomassoni introduced--

S.F. No. 2440: A bill for an act relating to capital investment; appropriating money for a campground and recreational area in the city of Brookston; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Gazelka introduced--

S.F. No. 2441: A bill for an act relating to public safety; appropriating money for public safety costs related to civil unrest; requiring a report.

Senator Gazelka moved that S.F. No. 2441 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Senator Eaton moved that the name of Senator Franzen be added as a co-author to S.F. No. 1144. The motion prevailed.

Senator Murphy moved that the names of Senators Fateh, Putnam, and Pappas be added as co-authors to Senate Concurrent Resolution No. 10. The motion prevailed.

Senator Kunesh moved that the names of Senators Klein, Wiklund, and Latz be added as co-authors to Senate Concurrent Resolution No. 11. The motion prevailed.

Senator Port moved that the names of Senators Newton and Eaton be added as co-authors to Senate Concurrent Resolution No. 12. The motion prevailed.

Senators Howe and Gazelka introduced --

Senate Resolution No. 49: A Senate resolution expressing the Minnesota Senate's condemnation of the removal of the Minnesota National Guard from the St. Paul Labor Center.

Referred to the Committee on Rules and Administration.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Gazelka from the Committee on Rules and Administration, to which was referred

Senate Resolution No. 49: A Senate resolution expressing the Minnesota Senate's condemnation of the removal of the Minnesota National Guard from the St. Paul Labor Center.

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

Page 1, after line 12, insert:

"WHEREAS, the members of the Minnesota National Guard have been instrumental in assisting with COVID-19 testing and vaccination efforts, as well as supporting long-term care facilities during the pandemic; and"

Page 1, line 20, delete "Union"

Page 2, line 2, delete "union" and insert "labor organization"

Page 2, line 9, delete "unions" and insert "labor organizations"

Page 2, line 11, delete "union" and insert "labor organization members and"

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

Senator Gazelka moved that Senate Resolution No. 49 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Gazelka moved that S.F. No. 2441 be taken from the table. The motion prevailed.

S.F. No. 2441: A bill for an act relating to public safety; appropriating money for public safety costs related to civil unrest; requiring a report.

SUSPENSION OF RULES

Senator Gazelka moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2441 and that the rules of the Senate be so far suspended as to give S.F. No. 2441 its second and third reading and place it on its final passage.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 47 and nays 20, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Howe	Mathews	Ruud
Anderson	Draheim	Ingebrigtsen	Miller	Senjem
Bakk	Duckworth	Jasinski	Nelson	Tomassoni
Benson	Eichorn	Johnson	Newman	Utke
Bigham	Eken	Kent	Osmek	Weber
Chamberlain	Frentz	Kiffmeyer	Pratt	Westrom
Clausen	Gazelka	Koran	Putnam	Wiger
Coleman	Goggin	Lang	Rarick	
Cwodzinski	Hoffman	Latz	Rest	
Dahms	Housley	Limmer	Rosen	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Osmek, Senjem, and Westrom.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Clausen, Eken, and Latz.

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

Those who voted in the negative were:

Carlson	Eaton	Isaacson	Marty	Pappas
Champion	Fatch	Johnson Stewart	McEwen	Port
Dibble	Franzen	Klein	Murphy	Torres Ray
Dziedzic	Hawj	Kunesh	Newton	Wiklund

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Eaton, Isaacson, Kunesh, Newton, and Wiklund.

The motion prevailed.

S.F. No. 2441 was read the second time.

Senator Gazelka moved that S.F. No. 2441 be laid on the table. The motion prevailed.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Gazelka moved that S.F. No. 2441 be taken from the table. The motion prevailed.

S.F. No. 2441: A bill for an act relating to public safety; appropriating money for public safety costs related to civil unrest; requiring a report.

Senator Dibble moved to amend S.F. No. 2441 as follows:

Page 1, after line 19, insert:

"(d) A peace officer engaged in addressing civil unrest through an appropriation made in this section shall fully comply with all laws and policies addressing police standards of conducts, including but not limited to:

(1) upholding the highest standards of procedural justice by treating people with dignity and respect, upholding fundamental human and civil rights, giving citizens voice during encounters, being neutral in decision making, and conveying trustworthy motives;

(2) using best practices in de-escalation;

(3) partnering with communities on crowd management;

(4) expressly affirming first amendment protections;

(5) precisely defining crowd management events;

(6) specifying the conditions that warrant crowd dispersal;

(7) constraining the use of force;

(8) mandating medical assistance for injured parties;

(9) permitting the observation and recording of police and demonstrators;

(10) coordinating joint action and training for mutual aid;

(11) ensuring peace officer accountability; and

(12) protecting peace officer and public health."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fateh	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	
Dziedzic	Hoffman	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Eken, Isaacson, Kunesh, Latz, Newton, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Osmek, Senjem, and Westrom.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2441 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 19, as follows:

Those who voted in the affirmative were:

Abeler	Dahms	Housley	Latz	Rosen
Anderson	Dornink	Howe	Limmer	Ruud
Bakk	Draheim	Ingebrigtsen	Mathews	Senjem
Benson	Duckworth	Jasinski	Miller	Tomassoni
Bigham	Eichorn	Johnson	Nelson	Utke
Carlson	Eken	Kent	Newman	Weber
Chamberlain	Frentz	Kiffmeyer	Osmek	Westrom
Clausen	Gazelka	Klein	Pratt	Wiger
Coleman	Goggin	Koran	Putnam	
Cwodzinski	Hoffman	Lang	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Ingebrigtsen, Osmek, Senjem, and Westrom.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Clausen, Eken, and Latz.

Those who voted in the negative were:

Champion	Eaton	Hawj	Kunesh	Murphy
Dibble	Fateh	Isaacson	Marty	Newton
Dziedzic	Franzen	Johnson Stewart	McEwen	Pappas

Port

Rest

Torres Ray

Wiklund

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Champion, Eaton, Isaacson, Kunesh, Newton, and Wiklund.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Ingebrigtsen moved that the name of Senator Ruud be added as a co-author to S.F. No. 959. The motion prevailed.

Senator Gazelka moved that Senate Resolution No. 49 be taken from the table. The motion prevailed.

Senate Resolution No. 49: A Senate resolution expressing the Minnesota Senate's condemnation of the removal of the Minnesota National Guard from the St. Paul Labor Center.

WHEREAS, the Minnesota National Guard has a unique dual mission that consists of federal and state roles, and can be activated to serve missions by the Governor of Minnesota or the President of the United States; and

WHEREAS, the Minnesota National Guard has a record of exemplary service in response to calls to service by the President and the Governor in times of peace, civil unrest, and war; and

WHEREAS, the members of the Minnesota National Guard are citizen soldiers who come from all parts of the state, and include people who are teachers, nurses, farmers, truck drivers, painters, students, friends, neighbors, mothers, fathers, sons, and daughters, who serve voluntarily to answer the call of our state and nation; and

WHEREAS, the members of the Minnesota National Guard have been instrumental in assisting with COVID-19 testing and vaccination efforts, as well as supporting long-term care facilities during the pandemic; and

WHEREAS, the Governor activated the Minnesota National Guard on February 5, 2021, to protect public safety and security, and the lives, property, and rights of residents, businesses, and protesters alike; and

WHEREAS, the citizen soldiers of the Minnesota National Guard left their jobs, families, and homes to answer the call to duty to respond to the needs of their fellow Minnesotans in their time of need, and did this without hesitation as they have done throughout their history; and

WHEREAS, the members of Minnesota National Guard were given permission to use the St. Paul Labor Center for a staging area, used the facility respectfully, caused no damage, and left when requested to do so; and

WHEREAS, on the night of Wednesday, April 14, 2021, members of the Minnesota National Guard that were staged at the St. Paul Labor Center were told they had to immediately leave the building, without warning, and without any place to go; and

WHEREAS, the members of the Minnesota National Guard very professionally vacated the St. Paul Labor Center while being harassed and taunted by labor organization members and leaders; NOW THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it commends the actions of the members of Minnesota National Guard for their professionalism in responding once again without hesitation to the call to duty during this time of civil unrest and relocating on a moment's notice.

BE IT FURTHER RESOLVED that the Senate of the State of Minnesota calls upon the members of the labor organizations that were involved in the disparaging treatment of the members of the Minnesota National Guard at the St. Paul Labor Center on the night of April 14, 2021, to remove the labor organizations and leadership responsible for the removal of the soldiers.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare a copy of this resolution, to be authenticated by his signature and that of the Chair of the Senate Committee on Rules and Administration, and transmit it to Governor Walz.

Senator Gazelka moved the adoption of Senate Resolution No. 49.

Senator Howe moved to amend Senate Resolution No. 49 as follows:

Page 2, line 14, delete "organizations" and insert "organization members"

The motion prevailed. So the amendment was adopted.

Senator Frentz moved to amend Senate Resolution No. 49 as follows:

Page 2, delete lines 11 to 14

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fateh	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	
Dziedzic	Hoffman	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Eken, Isaacson, Kunesh, Latz, Newton, and Wiklund.

Those who voted in the negative were:

Abeler	Dornink	Ingebrigtsen	Miller	Ruud
Anderson	Draheim	Jasinski	Nelson	Senjem
Bakk	Eichorn	Johnson	Newman	Tomassoni
Benson	Gazelka	Kiffmeyer	Osmek	Utke
Chamberlain	Goggin	Koran	Pratt	Weber
Coleman	Housley	Limmer	Rarick	Westrom
Dahms	Howe	Mathews	Rosen	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Ingebrigtsen, Osmek, Senjem, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Pursuant to Rule 41.2, Senator Lang moved that he be excused from voting on all questions pertaining to Senate Resolution No. 49. The motion prevailed.

Senator Gazelka moved the adoption of Senate Resolution No. 49, as amended.

The question was taken on the adoption of the resolution, as amended.

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Howe	Nelson	Senjem
Anderson	Draheim	Ingebrigtsen	Newman	Tomassoni
Bakk	Eichorn	Jasinski	Osmek	Utke
Benson	Eken	Johnson	Pratt	Weber
Bigham	Frentz	Kiffmeyer	Putnam	Westrom
Chamberlain	Gazelka	Koran	Rarick	Wiger
Clausen	Goggin	Limmer	Rest	
Coleman	Hoffman	Mathews	Rosen	
Dahms	Housley	Miller	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Ingebrigtsen, Osmek, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Clausen and Eken.

Those who voted in the negative were:

Carlson	Eaton	Johnson Stewart	Marty	Port
Champion	Fateh	Kent	McEwen	Torres Ray
Cwodzinski	Franzen	Klein	Murphy	Wiklund
Dibble	Hawj	Kunesh	Newton	
Dziedzic	Isaacson	Latz	Pappas	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Eaton, Isaacson, Kunesh, Latz, Newton, and Wiklund.

The motion prevailed. So the resolution, as amended, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Howe moved that the name of Senator Limmer be added as a co-author to Senate Resolution No. 49. The motion prevailed.

Senator Howe moved that the name of Senator Jasinski be added as a co-author to Senate Resolution No. 49. The motion prevailed.

SPECIAL ORDERS

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

S.F. Nos. 1846 and 959.

SPECIAL ORDER

S.F. No. 1846: A bill for an act relating to commerce; modifying various provisions governing or administered by the Department of Commerce; making technical changes; requiring a report; amending Minnesota Statutes 2020, sections 60A.71, subdivision 7; 79.55, subdivision 10; 80G.06, subdivision 1; 82.57, subdivisions 1, 5; 82.62, subdivision 3; 82.81, subdivision 12; 82B.021, subdivision 18; 82B.11, subdivision 3; 332.33, subdivision 3, by adding a subdivision; 386.375, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 80G; 332; repealing Minnesota Statutes 2020, section 45.017.

Senator Dahms moved to amend S.F. No. 1846 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2020, section 60A.092, subdivision 10a, is amended to read:

Subd. 10a. **Other jurisdictions.** The reinsurance is ceded and credit allowed to an assuming insurer not meeting the requirements of subdivision 2, 3, 4, 5, ~~or 10~~, or 10b, but only with respect to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

Sec. 2. Minnesota Statutes 2020, section 60A.092, is amended by adding a subdivision to read:

Subd. 10b. **Credit allowed; reciprocal jurisdiction.** (a) Credit shall be allowed when the reinsurance is ceded to an assuming insurer meeting each of the following conditions:

(1) the assuming insurer must have its head office in or be domiciled in, as applicable, and be licensed in a reciprocal jurisdiction. A "reciprocal jurisdiction" means a jurisdiction that is:

(i) a non-United States jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority, or, in the case of a covered agreement between the United States and the European Union, is a member state of the European Union. For purposes of this subdivision, a "covered agreement" means an agreement entered into pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, United States Code, title 31, sections 313 and 314, that is currently in effect or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in Minnesota or for allowing the ceding insurer to recognize credit for reinsurance;

(ii) a United States jurisdiction that meets the requirements for accreditation under the National Association of Insurance Commissioners (NAIC) financial standards and accreditation program; or

(iii) a qualified jurisdiction, as determined by the commissioner, which is not otherwise described in item (i) or (ii) and which meets the following additional requirements, consistent with the terms and conditions of in-force covered agreements:

(A) provides that an insurer which has its head office or is domiciled in such qualified jurisdiction shall receive credit for reinsurance ceded to a United States-domiciled assuming insurer in the same manner as credit for reinsurance is received for reinsurance assumed by insurers domiciled in such qualified jurisdiction;

(B) does not require a United States-domiciled assuming insurer to establish or maintain a local presence as a condition for entering into a reinsurance agreement with any ceding insurer subject to regulation by the non-United States jurisdiction or as a condition to allow the ceding insurer to recognize credit for such reinsurance;

(C) recognizes the United States state regulatory approach to group supervision and group capital, by providing written confirmation by a competent regulatory authority, in such qualified jurisdiction, that insurers and insurance groups that are domiciled or maintain their headquarters in this state or another jurisdiction accredited by the NAIC shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting, as applicable, by the commissioner or the commissioner of the domiciliary state and will not be subject to group supervision at the level of the worldwide parent undertaking of the insurance or reinsurance group by the qualified jurisdiction; and

(D) provides written confirmation by a competent regulatory authority in such qualified jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and such qualified jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC;

(2) the assuming insurer must have and maintain, on an ongoing basis, minimum capital and surplus, or its equivalent, calculated according to the methodology of its domiciliary jurisdiction, on at least an annual basis as of the preceding December 31 or on the date otherwise statutorily reported to the reciprocal jurisdiction, in the following amounts:

(i) no less than \$250,000,000; or

(ii) if the assuming insurer is an association, including incorporated and individual unincorporated underwriters:

(A) minimum capital and surplus equivalents, net of liabilities, or own funds of the equivalent of at least \$250,000,000; and

(B) a central fund containing a balance of the equivalent of at least \$250,000,000;

(3) the assuming insurer must have and maintain, on an ongoing basis, a minimum solvency or capital ratio, as applicable, as follows:

(i) if the assuming insurer has its head office or is domiciled in a reciprocal jurisdiction defined in clause (1), item (i), the ratio specified in the applicable covered agreement;

(ii) if the assuming insurer is domiciled in a reciprocal jurisdiction defined in clause (1), item (ii), a risk-based capital ratio of 300 percent of the authorized control level, calculated in accordance with the formula developed by the NAIC; or

(iii) if the assuming insurer is domiciled in a reciprocal jurisdiction defined in clause (1), item (iii), after consultation with the reciprocal jurisdiction and considering any recommendations published through the NAIC Committee Process, such solvency or capital ratio as the commissioner determines to be an effective measure of solvency;

(4) the assuming insurer must agree and provide adequate assurance in the form of a properly executed Form AR-1, Form CR-1, and Form RJ-1 of its agreement to the following:

(i) the assuming insurer must provide prompt written notice and explanation to the commissioner if it falls below the minimum requirements set forth in clause (2) or (3), or if any regulatory action is taken against the assuming insurer for serious noncompliance with applicable law;

(ii) the assuming insurer must consent in writing to the jurisdiction of the courts of Minnesota and to the appointment of the commissioner as agent for service of process. The commissioner may require that consent for service of process be provided to the commissioner and included in each reinsurance agreement. Nothing in this subdivision shall limit or in any way alter the capacity of parties to a reinsurance agreement to agree to alternative dispute resolution mechanisms, except to the extent such agreements are unenforceable under applicable insolvency or delinquency laws;

(iii) the assuming insurer must consent in writing to pay all final judgments, wherever enforcement is sought, obtained by a ceding insurer or its legal successor, that have been declared enforceable in the jurisdiction where the judgment was obtained;

(iv) each reinsurance agreement must include a provision requiring the assuming insurer to provide security in an amount equal to 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded pursuant to that agreement if the assuming insurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration award, whether obtained by the ceding insurer or by its legal successor on behalf of its resolution estate;

(v) the assuming insurer must confirm that it is not presently participating in any solvent scheme of arrangement which involves this state's ceding insurers, and agree to notify the ceding insurer and the commissioner and to provide security in an amount equal to 100 percent of the assuming insurer's liabilities to the ceding insurer, should the assuming insurer enter into such a solvent scheme of arrangement. The security shall be in a form consistent with sections 60A.092, subdivision 10, 60A.093, 60A.096, and 60A.097. For purposes of this regulation, the term "solvent scheme of arrangement" means a foreign or alien statutory or regulatory compromise procedure subject to requisite majority creditor approval and judicial sanction in the assuming insurer's home jurisdiction either to finally commute liabilities of duly noticed classed members or creditors of a solvent debtor, or to reorganize or restructure the debts and obligations of a solvent debtor on a final basis, and which may be subject to judicial recognition and enforcement of the arrangement by a governing authority outside the ceding insurer's home jurisdiction; and

(vi) the assuming insurer must agree in writing to meet the applicable information filing requirements set forth in clause (5);

(5) the assuming insurer or its legal successor must provide, if requested by the commissioner, on behalf of itself and any legal predecessors, the following documentation to the commissioner:

(i) for the two years preceding entry into the reinsurance agreement and on an annual basis thereafter, the assuming insurer's annual audited financial statements, in accordance with the applicable law of the jurisdiction of its head office or domiciliary jurisdiction, as applicable, including the external audit report;

(ii) for the two years preceding entry into the reinsurance agreement, the solvency and financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor;

(iii) prior to entry into the reinsurance agreement and not more than semiannually thereafter, an updated list of all disputed and overdue reinsurance claims outstanding for 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the United States; and

(iv) prior to entry into the reinsurance agreement and not more than semiannually thereafter, information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer to allow for the evaluation of the criteria set forth in clause (6);

(6) the assuming insurer must maintain a practice of prompt payment of claims under reinsurance agreements. The lack of prompt payment will be evidenced if any of the following criteria is met:

(i) more than 15 percent of the reinsurance recoverables from the assuming insurer are overdue and in dispute as reported to the commissioner;

(ii) more than 15 percent of the assuming insurer's ceding insurers or reinsurers have overdue reinsurance recoverable on paid losses of 90 days or more which are not in dispute and which exceed for each ceding insurer \$100,000, or as otherwise specified in a covered agreement; or

(iii) the aggregate amount of reinsurance recoverable on paid losses which are not in dispute, but are overdue by 90 days or more, exceeds \$50,000,000, or as otherwise specified in a covered agreement;

(7) the assuming insurer's supervisory authority must confirm to the commissioner by December 31, 2021, and annually thereafter, or at the annual date otherwise statutorily reported to the reciprocal jurisdiction, that the assuming insurer complies with the requirements set forth in clauses (2) and (3); and

(8) nothing in this subdivision precludes an assuming insurer from providing the commissioner with information on a voluntary basis.

(b) The commissioner shall timely create and publish a list of reciprocal jurisdictions. The commissioner's list shall include any reciprocal jurisdiction as defined under paragraph (a), clause (1), items (i) and (ii), and shall consider any other reciprocal jurisdiction included on the NAIC list. The commissioner may approve a jurisdiction that does not appear on the NAIC list of reciprocal

jurisdictions in accordance with criteria developed under rules issued by the commissioner. The commissioner may remove a jurisdiction from the list of reciprocal jurisdictions upon a determination that the jurisdiction no longer meets the requirements of a reciprocal jurisdiction, in accordance with a process set forth in rules issued by the commissioner, except that the commissioner shall not remove from the list a reciprocal jurisdiction as defined under paragraph (a), clause (1), items (i) and (ii). Upon removal of a reciprocal jurisdiction from the list, credit for reinsurance ceded to an assuming insurer which has its home office or is domiciled in that jurisdiction shall be allowed, if otherwise allowed pursuant to law.

(c) The commissioner shall timely create and publish a list of assuming insurers that have satisfied the conditions set forth in this subdivision and to which cessions shall be granted credit in accordance with this subdivision. The commissioner may add an assuming insurer to the list if an NAIC accredited jurisdiction has added the assuming insurer to a list of assuming insurers or if, upon initial eligibility, the assuming insurer submits the information to the commissioner as required under paragraph (a), clause (4), and complies with any additional requirements that the commissioner may impose by rule, except to the extent that they conflict with an applicable covered agreement.

(1) If an NAIC-accredited jurisdiction has determined that the conditions set forth in paragraph (a), clause (2), have been met, the commissioner has the discretion to defer to that jurisdiction's determination, and add such assuming insurer to the list of assuming insurers to which cessions shall be granted credit in accordance with this paragraph. The commissioner may accept financial documentation filed with another NAIC-accredited jurisdiction or with the NAIC in satisfaction of the requirements of paragraph (a), clause (2).

(2) When requesting that the commissioner defer to another NAIC-accredited jurisdiction's determination, an assuming insurer must submit a properly executed Form RJ-1 and additional information as the commissioner may require. A state that has received such a request will notify other states through the NAIC Committee Process and provide relevant information with respect to the determination of eligibility.

(d) If the commissioner determines that an assuming insurer no longer meets one or more of the requirements under this subdivision, the commissioner may revoke or suspend the eligibility of the assuming insurer for recognition under this subdivision in accordance with procedures set forth in rule. While an assuming insurer's eligibility is suspended, no reinsurance agreement issued, amended, or renewed after the effective date of the suspension qualifies for credit, except to the extent that the assuming insurer's obligations under the contract are secured in accordance with this section. If an assuming insurer's eligibility is revoked, no credit for reinsurance may be granted after the effective date of the revocation with respect to any reinsurance agreements entered into by the assuming insurer, including reinsurance agreements entered into prior to the date of revocation, except to the extent that the assuming insurer's obligations under the contract are secured in a form acceptable to the commissioner and consistent with the provisions of this section.

(e) Before denying statement credit or imposing a requirement to post security with respect to paragraph (d) or adopting any similar requirement that will have substantially the same regulatory impact as security, the commissioner shall:

(1) communicate with the ceding insurer, the assuming insurer, and the assuming insurer's supervisory authority that the assuming insurer no longer satisfies one of the conditions listed in paragraph (a), clause (2);

(2) provide the assuming insurer with 30 days from the initial communication to submit a plan to remedy the defect, and 90 days from the initial communication to remedy the defect, except in exceptional circumstances in which a shorter period is necessary for policyholder and other consumer protection;

(3) after the expiration of 90 days or less, as set out in clause (2), if the commissioner determines that no or insufficient action was taken by the assuming insurer, the commissioner may impose any of the requirements as set out in this paragraph; and

(4) provide a written explanation to the assuming insurer of any of the requirements set out in this paragraph.

(f) If subject to a legal process of rehabilitation, liquidation, or conservation, as applicable, the ceding insurer, or its representative, may seek and, if determined appropriate by the court in which the proceedings are pending, may obtain an order requiring that the assuming insurer post security for all outstanding ceded liabilities.

(g) Nothing in this subdivision limits or in any way alters the capacity of parties to a reinsurance agreement to agree on requirements for security or other terms in the reinsurance agreement, except as expressly prohibited by applicable law or rule.

(h) Credit may be taken under this subdivision only for reinsurance agreements entered into, amended, or renewed on or after the effective date of this subdivision, and only with respect to losses incurred and reserves reported on or after the later of: (1) the date on which the assuming insurer has met all eligibility requirements pursuant to this subdivision; and (2) the effective date of the new reinsurance agreement, amendment, or renewal. This paragraph does not alter or impair a ceding insurer's right to take credit for reinsurance, to the extent that credit is not available under this subdivision, as long as the reinsurance qualifies for credit under any other applicable provision of law. Nothing in this subdivision shall authorize an assuming insurer to withdraw or reduce the security provided under any reinsurance agreement, except as permitted by the terms of the agreement. Nothing in this subdivision shall limit, or in any way alter, the capacity of parties to any reinsurance agreement to renegotiate the agreement.

Sec. 3. Minnesota Statutes 2020, section 60A.0921, subdivision 2, is amended to read:

Subd. 2. **Certification procedure.** (a) The commissioner shall post notice on the department's website promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The commissioner may not take final action on the application until at least 30 days after posting the notice.

(b) The commissioner shall issue written notice to an assuming insurer that has applied and been approved as a certified reinsurer. The notice must include the rating assigned the certified reinsurer in accordance with subdivision 1. The commissioner shall publish a list of all certified reinsurers and their ratings.

(c) In order to be eligible for certification, the assuming insurer must:

(1) be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the commissioner under subdivision 3;

(2) maintain capital and surplus, or its equivalent, of no less than \$250,000,000 calculated in accordance with paragraph (d), clause (8). This requirement may also be satisfied by an association including incorporated and individual unincorporated underwriters having minimum capital and surplus equivalents net of liabilities of at least \$250,000,000 and a central fund containing a balance of at least \$250,000,000;

(3) maintain financial strength ratings from two or more rating agencies acceptable to the commissioner. These ratings shall be based on interactive communication between the rating agency and the assuming insurer and shall not be based solely on publicly available information. These financial strength ratings shall be one factor used by the commissioner in determining the rating that is assigned to the assuming insurer. Acceptable rating agencies include the following:

(i) Standard & Poor's;

(ii) Moody's Investors Service;

(iii) Fitch Ratings;

(iv) A.M. Best Company; or

(v) any other nationally recognized statistical rating organization; and

(4) ensure that the certified reinsurer complies with any other requirements reasonably imposed by the commissioner.

(d) Each certified reinsurer shall be rated on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association including incorporated and individual unincorporated underwriters that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating. Factors that may be considered as part of the evaluation process include, but are not limited to:

(1) certified reinsurer's financial strength rating from an acceptable rating agency. The maximum rating that a certified reinsurer may be assigned will correspond to its financial strength rating as outlined in the table below. The commissioner shall use the lowest financial strength rating received from an approved rating agency in establishing the maximum rating of a certified reinsurer. A failure to obtain or maintain at least two financial strength ratings from acceptable rating agencies will result in loss of eligibility for certification;

Ratings	Best	S&P	Moody's	Fitch
Secure - 1	A++	AAA	Aaa	AAA
Secure - 2	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-
Secure - 3	A	A+, A	A1, A2	A+, A
Secure - 4	A-	A-	A3	A-

Secure - 5	B++, B-	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
Vulnerable - 6	B, B-C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD

(2) the business practices of the certified reinsurer in dealing with its ceding insurers, including its record of compliance with reinsurance contractual terms and obligations;

(3) for certified reinsurers domiciled in the United States, a review of the most recent applicable NAIC annual statement;

(4) for certified reinsurers not domiciled in the United States, a review annually of such forms as may be required by the commissioner;

(5) the reputation of the certified reinsurer for prompt payment of claims under reinsurance agreements, based on an analysis of ceding insurers' reporting of overdue reinsurance recoverables, including the proportion of obligations that are more than 90 days past due or are in dispute, with specific attention given to obligations payable to companies that are in administrative supervision or receivership;

(6) regulatory actions against the certified reinsurer;

(7) the report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in clause (8);

(8) for certified reinsurers not domiciled in the United States, audited financial statements (audited United States GAAP basis if available, audited IFRS basis statements are allowed, but must include an audited footnote reconciling equity and net income to a United States GAAP basis, or, with permission of the commissioner, audited IFRS statements with reconciliation to United States GAAP certified by an officer of the company). Upon the initial application for certification, the commissioner will consider audited financial statements for the last ~~three~~ two years filed with its non-United States jurisdiction supervisor;

(9) the liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding;

(10) a certified reinsurer's participation in any solvent scheme of arrangement, or similar procedure, which involves United States ceding insurers. The commissioner must receive prior notice from a certified reinsurer that proposes participation by the certified reinsurer in a solvent scheme of arrangement; and

(11) other information as determined by the commissioner.

(e) Based on the analysis conducted under paragraph (d), clause (5), of a certified reinsurer's reputation for prompt payment of claims, the commissioner may make appropriate adjustments in the security the certified reinsurer is required to post to protect its liabilities to United States ceding insurers, provided that the commissioner shall, at a minimum, increase the security the certified

reinsurer is required to post by one rating level under paragraph (d), clause (1), if the commissioner finds that:

(1) more than 15 percent of the certified reinsurer's ceding insurance clients have overdue reinsurance recoverables on paid losses of 90 days or more which are not in dispute and which exceed \$100,000 for each cedent; or

(2) the aggregate amount of reinsurance recoverables on paid losses which are not in dispute that are overdue by 90 days or more exceeds \$50,000,000.

(f) The assuming insurer must submit such forms as required by the commissioner as evidence of its submission to the jurisdiction of this state, appoint the commissioner as an agent for service of process in this state, and agree to provide security for 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers if it resists enforcement of a final United States judgment. The commissioner shall not certify an assuming insurer that is domiciled in a jurisdiction that the commissioner has determined does not adequately and promptly enforce final United States judgments or arbitration awards.

(g) The certified reinsurer must agree to meet filing requirements as determined by the commissioner, both with respect to an initial application for certification and on an ongoing basis. All data submitted by certified reinsurers to the commissioner is nonpublic under section 13.02, subdivision 9. The certified reinsurer must file with the commissioner:

(1) a notification within ten days of any regulatory actions taken against the certified reinsurer, any change in the provisions of its domiciliary license, or any change in rating by an approved rating agency, including a statement describing such changes and the reasons therefore;

(2) an annual report regarding reinsurance assumed, in a form determined by the commissioner;

(3) an annual report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in clause (4);

(4) an annual audited financial statement, regulatory filings, and actuarial opinion filed with the certified reinsurer's supervisor. Upon the initial certification, audited financial statements for the last ~~three~~ two years filed with the certified reinsurer's supervisor;

(5) at least annually, an updated list of all disputed and overdue reinsurance claims regarding reinsurance assumed from United States domestic ceding insurers;

(6) a certification from the certified reinsurer's domestic regulator that the certified reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level; and

(7) any other relevant information as determined by the commissioner.

Sec. 4. Minnesota Statutes 2020, section 60A.71, subdivision 7, is amended to read:

Subd. 7. **Duration; fees.** (a) Each applicant for a reinsurance intermediary license shall pay to the commissioner a fee of \$200 for an initial two-year license and a fee of \$150 for each renewal. Applications shall be submitted on forms prescribed by the commissioner.

(b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each renewal reinsurance intermediary license is valid for a period of 24 months. ~~Licenseses who submit renewal applications postmarked or delivered on or before October 15 of the renewal year may continue to transact business whether or not the renewal license has been received by November 1. Licensees who submit applications postmarked or delivered after October 15 of the renewal year must not transact business after the expiration date of the license until the renewal license has been received.~~

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

Sec. 5. **[60A.985] DEFINITIONS.**

Subdivision 1. **Terms.** As used in sections 60A.985 to 60A.9857, the following terms have the meanings given.

Subd. 2. **Authorized individual.** "Authorized individual" means an individual known to and screened by the licensee and determined to be necessary and appropriate to have access to the nonpublic information held by the licensee and its information systems.

Subd. 3. **Consumer.** "Consumer" means an individual, including but not limited to an applicant, policyholder, insured, beneficiary, claimant, and certificate holder who is a resident of this state and whose nonpublic information is in a licensee's possession, custody, or control.

Subd. 4. **Cybersecurity event.** "Cybersecurity event" means an event resulting in unauthorized access to, service level or disruption or misuse of, an information system or nonpublic information stored on an information system which results in the release of a consumer's nonpublic information.

Cybersecurity event does not include the unauthorized acquisition of encrypted nonpublic information if the encryption, process, or key is not also acquired, released, or used without authorization.

Cybersecurity event does not include an event with regard to which the licensee has determined that the nonpublic information accessed by an unauthorized person has not been used or released and has been returned or destroyed.

Subd. 5. **Encrypted.** "Encrypted" means the transformation of data into a form which results in a low probability of assigning meaning without the use of a protective process or key.

Subd. 6. **Information security program.** "Information security program" means the administrative, technical, and physical safeguards that a licensee uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle nonpublic information.

Subd. 7. **Information system.** "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of nonpublic electronic information, as well as any specialized system such as industrial or process controls systems, telephone switching and private branch exchange systems, and environmental control systems.

Subd. 8. **Licensee.** "Licensee" means any person licensed, authorized to operate, or registered, or required to be licensed, authorized, or registered by the Department of Commerce or the Department of Health under chapters 59A to 62M and 62P to 79A.

Subd. 9. **Multifactor authentication.** "Multifactor authentication" means authentication through verification of at least two of the following types of authentication factors:

- (1) knowledge factors, such as a password;
- (2) possession factors, such as a token or text message on a mobile phone; or
- (3) inherence factors, such as a biometric characteristic.

Subd. 10. **Nonpublic information.** "Nonpublic information" means electronic information that is not publicly available information and is:

(1) any information concerning a consumer which because of name, number, personal mark, or other identifier can be used to identify the consumer, in combination with any one or more of the following data elements:

- (i) Social Security number;
- (ii) driver's license number or nondriver identification card number;
- (iii) financial account number, credit card number, or debit card number;
- (iv) any security code, access code, or password that would permit access to a consumer's financial account; or
- (v) biometric records; or

(2) any information or data, except age or gender, in any form or medium created by or derived from a health care provider or a consumer that can be used to identify a particular consumer and that relates to:

- (i) the past, present, or future physical, mental, or behavioral health or condition of any consumer or a member of the consumer's family;
- (ii) the provision of health care to any consumer; or
- (iii) payment for the provision of health care to any consumer.

Subd. 11. **Person.** "Person" means any individual or any nongovernmental entity, including but not limited to any nongovernmental partnership, corporation, branch, agency, or association.

Subd. 12. **Publicly available information.** "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from: federal, state, or local government records; widely distributed media; or disclosures to the general public that are required to be made by federal, state, or local law.

For the purposes of this definition, a licensee has a reasonable basis to believe that information is lawfully made available to the general public if the licensee has taken steps to determine:

(1) that the information is of the type that is available to the general public; and

(2) whether a consumer can direct that the information not be made available to the general public and, if so, that such consumer has not done so.

Subd. 13. **Risk assessment.** "Risk assessment" means the risk assessment that each licensee is required to conduct under section 60A.9853, subdivision 3.

Subd. 14. **State.** "State" means the state of Minnesota.

Subd. 15. **Third-party service provider.** "Third-party service provider" means a person, not otherwise defined as a licensee, that contracts with a licensee to maintain, process, or store nonpublic information, or is otherwise permitted access to nonpublic information through its provision of services to the licensee.

Sec. 6. **[60A.9851] INFORMATION SECURITY PROGRAM.**

Subdivision 1. **Implementation of an information security program.** Commensurate with the size and complexity of the licensee, the nature and scope of the licensee's activities, including its use of third-party service providers, and the sensitivity of the nonpublic information used by the licensee or in the licensee's possession, custody, or control, each licensee shall develop, implement, and maintain a comprehensive written information security program based on the licensee's risk assessment and that contains administrative, technical, and physical safeguards for the protection of nonpublic information and the licensee's information system.

Subd. 2. **Objectives of an information security program.** A licensee's information security program shall be designed to:

(1) protect the security and confidentiality of nonpublic information and the security of the information system;

(2) protect against any threats or hazards to the security or integrity of nonpublic information and the information system;

(3) protect against unauthorized access to, or use of, nonpublic information, and minimize the likelihood of harm to any consumer; and

(4) define and periodically reevaluate a schedule for retention of nonpublic information and a mechanism for its destruction when no longer needed.

Subd. 3. **Risk assessment.** The licensee shall:

(1) designate one or more employees, an affiliate, or an outside vendor authorized to act on behalf of the licensee who is responsible for the information security program;

(2) identify reasonably foreseeable internal or external threats that could result in unauthorized access, transmission, disclosure, misuse, alteration, or destruction of nonpublic information, including

threats to the security of information systems and nonpublic information that are accessible to, or held by, third-party service providers;

(3) assess the likelihood and potential damage of the threats identified pursuant to clause (2), taking into consideration the sensitivity of the nonpublic information;

(4) assess the sufficiency of policies, procedures, information systems, and other safeguards in place to manage these threats, including consideration of threats in each relevant area of the licensee's operations, including:

(i) employee training and management;

(ii) information systems, including network and software design, as well as information classification, governance, processing, storage, transmission, and disposal; and

(iii) detecting, preventing, and responding to attacks, intrusions, or other systems failures; and

(5) implement information safeguards to manage the threats identified in its ongoing assessment, and no less than annually, assess the effectiveness of the safeguards' key controls, systems, and procedures.

Subd. 4. **Risk management.** Based on its risk assessment, the licensee shall:

(1) design its information security program to mitigate the identified risks, commensurate with the size and complexity of the licensee, the nature and scope of the licensee's activities, including its use of third-party service providers, and the sensitivity of the nonpublic information used by the licensee or in the licensee's possession, custody, or control;

(2) determine which of the following security measures are appropriate and implement any appropriate security measures:

(i) place access controls on information systems, including controls to authenticate and permit access only to authorized individuals, to protect against the unauthorized acquisition of nonpublic information;

(ii) identify and manage the data, personnel, devices, systems, and facilities that enable the organization to achieve business purposes in accordance with their relative importance to business objectives and the organization's risk strategy;

(iii) restrict physical access to nonpublic information to authorized individuals only;

(iv) protect, by encryption or other appropriate means, all nonpublic information while being transmitted over an external network and all nonpublic information stored on a laptop computer or other portable computing or storage device or media;

(v) adopt secure development practices for in-house developed applications utilized by the licensee;

(vi) modify the information system in accordance with the licensee's information security program;

(vii) utilize effective controls, which may include multifactor authentication procedures for employees accessing nonpublic information;

(viii) regularly test and monitor systems and procedures to detect actual and attempted attacks on, or intrusions into, information systems;

(ix) include audit trails within the information security program designed to detect and respond to cybersecurity events and designed to reconstruct material financial transactions sufficient to support normal operations and obligations of the licensee;

(x) implement measures to protect against destruction, loss, or damage of nonpublic information due to environmental hazards, such as fire and water damage, other catastrophes, or technological failures; and

(xi) develop, implement, and maintain procedures for the secure disposal of nonpublic information in any format;

(3) include cybersecurity risks in the licensee's enterprise risk management process;

(4) stay informed regarding emerging threats or vulnerabilities and utilize reasonable security measures when sharing information relative to the character of the sharing and the type of information shared; and

(5) provide its personnel with cybersecurity awareness training that is updated as necessary to reflect risks identified by the licensee in the risk assessment.

Subd. 5. **Oversight by board of directors.** If the licensee has a board of directors, the board or an appropriate committee of the board shall, at a minimum:

(1) require the licensee's executive management or its delegates to develop, implement, and maintain the licensee's information security program;

(2) require the licensee's executive management or its delegates to report in writing, at least annually, the following information:

(i) the overall status of the information security program and the licensee's compliance with this act; and

(ii) material matters related to the information security program, addressing issues such as risk assessment, risk management and control decisions, third-party service provider arrangements, results of testing, cybersecurity events or violations and management's responses thereto, and recommendations for changes in the information security program; and

(3) if executive management delegates any of its responsibilities under this section, it shall oversee the development, implementation, and maintenance of the licensee's information security program prepared by the delegate and shall receive a report from the delegate complying with the requirements of the report to the board of directors.

Subd. 6. **Oversight of third-party service provider arrangements.** (a) A licensee shall exercise due diligence in selecting its third-party service provider.

(b) A licensee shall require a third-party service provider to implement appropriate administrative, technical, and physical measures to protect and secure the information systems and nonpublic information that are accessible to, or held by, the third-party service provider.

Subd. 7. **Program adjustments.** The licensee shall monitor, evaluate, and adjust, as appropriate, the information security program consistent with any relevant changes in technology, the sensitivity of its nonpublic information, internal or external threats to information, and the licensee's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to information systems.

Subd. 8. **Incident response plan.** (a) As part of its information security program, each licensee shall establish a written incident response plan designed to promptly respond to, and recover from, any cybersecurity event that compromises the confidentiality, integrity, or availability of nonpublic information in its possession, the licensee's information systems, or the continuing functionality of any aspect of the licensee's business or operations.

(b) The incident response plan shall address the following areas:

(1) the internal process for responding to a cybersecurity event;

(2) the goals of the incident response plan;

(3) the definition of clear roles, responsibilities, and levels of decision-making authority;

(4) external and internal communications and information sharing;

(5) identification of requirements for the remediation of any identified weaknesses in information systems and associated controls;

(6) documentation and reporting regarding cybersecurity events and related incident response activities; and

(7) the evaluation and revision, as necessary, of the incident response plan following a cybersecurity event.

Subd. 9. **Annual certification to commissioner.** (a) Subject to paragraph (b), by April 15 of each year, an insurer domiciled in this state shall certify in writing to the commissioner that the insurer is in compliance with the requirements set forth in this section. Each insurer shall maintain all records, schedules, and data supporting this certificate for a period of five years and shall permit examination by the commissioner. To the extent an insurer has identified areas, systems, or processes that require material improvement, updating, or redesign, the insurer shall document the identification and the remedial efforts planned and underway to address such areas, systems, or processes. Such documentation must be available for inspection by the commissioner.

(b) The commissioner must post on the department's website, no later than 60 days prior to the certification required by paragraph (a), the form and manner of submission required and any instructions necessary to prepare the certification.

Sec. 7. [60A.9852] INVESTIGATION OF A CYBERSECURITY EVENT.

Subdivision 1. **Prompt investigation.** If the licensee learns that a cybersecurity event has or may have occurred, the licensee, or an outside vendor or service provider designated to act on behalf of the licensee, shall conduct a prompt investigation.

Subd. 2. **Investigation contents.** During the investigation, the licensee, or an outside vendor or service provider designated to act on behalf of the licensee, shall, at a minimum and to the extent possible:

- (1) determine whether a cybersecurity event has occurred;
- (2) assess the nature and scope of the cybersecurity event, if any;
- (3) identify whether any nonpublic information was involved in the cybersecurity event and, if so, what nonpublic information was involved; and
- (4) perform or oversee reasonable measures to restore the security of the information systems compromised in the cybersecurity event in order to prevent further unauthorized acquisition, release, or use of nonpublic information in the licensee's possession, custody, or control.

Subd. 3. **Third-party systems.** If the licensee learns that a cybersecurity event has or may have occurred in a system maintained by a third-party service provider, the licensee will complete the steps listed in subdivision 2 or confirm and document that the third-party service provider has completed those steps.

Subd. 4. **Records.** The licensee shall maintain records concerning all cybersecurity events for a period of at least five years from the date of the cybersecurity event and shall produce those records upon demand of the commissioner.

Sec. 8. **[60A.9853] NOTIFICATION OF A CYBERSECURITY EVENT.**

Subdivision 1. **Notification to the commissioner.** Each licensee shall notify the commissioner of commerce or commissioner of health, whichever commissioner otherwise regulates the licensee, without unreasonable delay but in no event later than five business days from a determination that a cybersecurity event involving nonpublic information that is in the possession of a licensee has occurred when either of the following criteria has been met:

(1) this state is the licensee's state of domicile, in the case of an insurer, or this state is the licensee's home state, in the case of a producer, as those terms are defined in chapter 60K and the cybersecurity event has a reasonable likelihood of materially harming:

- (i) any consumer residing in this state; or
- (ii) any part of the normal operations of the licensee; or

(2) the licensee reasonably believes that the nonpublic information involved is of 500 or more consumers residing in this state and that is either of the following:

(i) a cybersecurity event impacting the licensee of which notice is required to be provided to any government body, self-regulatory agency, or any other supervisory body pursuant to any state or federal law; or

(ii) a cybersecurity event that has a reasonable likelihood of materially harming:

(A) any consumer residing in this state; or

(B) any part of the normal operations of the licensee.

Subd. 2. **Information; notification.** A licensee making the notification required under subdivision 1 shall provide the information in electronic form as directed by the commissioner. The licensee shall have a continuing obligation to update and supplement initial and subsequent notifications to the commissioner concerning material changes to previously provided information relating to the cybersecurity event. The licensee shall provide as much of the following information as possible:

(1) date of the cybersecurity event;

(2) description of how the information was exposed, lost, stolen, or breached, including the specific roles and responsibilities of third-party service providers, if any;

(3) how the cybersecurity event was discovered;

(4) whether any lost, stolen, or breached information has been recovered and, if so, how this was done;

(5) the identity of the source of the cybersecurity event;

(6) whether the licensee has filed a police report or has notified any regulatory, government, or law enforcement agencies and, if so, when such notification was provided;

(7) description of the specific types of information acquired without authorization. Specific types of information means particular data elements including, for example, types of medical information, types of financial information, or types of information allowing identification of the consumer;

(8) the period during which the information system was compromised by the cybersecurity event;

(9) the number of total consumers in this state affected by the cybersecurity event. The licensee shall provide the best estimate in the initial report to the commissioner and update this estimate with each subsequent report to the commissioner pursuant to this section;

(10) the results of any internal review identifying a lapse in either automated controls or internal procedures, or confirming that all automated controls or internal procedures were followed;

(11) description of efforts being undertaken to remediate the situation which permitted the cybersecurity event to occur;

(12) a copy of the licensee's privacy policy and a statement outlining the steps the licensee will take to investigate and notify consumers affected by the cybersecurity event; and

(13) name of a contact person who is familiar with the cybersecurity event and authorized to act for the licensee.

Subd. 3. **Notification to consumers.** (a) If a licensee is required to submit a report to the commissioner under subdivision 1, the licensee shall notify any consumer residing in Minnesota if, as a result of the cybersecurity event reported to the commissioner, the consumer's nonpublic information was or is reasonably believed to have been acquired by an unauthorized person, and there is a reasonable likelihood of material harm to the consumer as a result of the cybersecurity event. Consumer notification is not required for a cybersecurity event resulting from the good faith acquisition of nonpublic information by an employee or agent of the licensee for the purposes of the licensee's business, provided the nonpublic information is not used for a purpose other than the licensee's business or subject to further unauthorized disclosure. The notification must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement or with any measures necessary to determine the scope of the breach, identify the individuals affected, and restore the reasonable integrity of the data system. The notification may be delayed to a date certain if the commissioner determines that providing the notice impedes a criminal investigation. The licensee shall provide a copy of the notice to the commissioner.

(b) For purposes of this subdivision, notice required under paragraph (a) must be provided by one of the following methods:

(1) written notice to the consumer's most recent address in the licensee's records;

(2) electronic notice, if the licensee's primary method of communication with the consumer is by electronic means or if the notice provided is consistent with the provisions regarding electronic records and signatures in United States Code, title 15, section 7001; or

(3) if the cost of providing notice exceeds \$250,000, the affected class of consumers to be notified exceeds 500,000, or the licensee does not have sufficient contact information for the subject consumers, notice as follows:

(i) e-mail notice when the licensee has an e-mail address for the subject consumers;

(ii) conspicuous posting of the notice on the website page of the licensee; and

(iii) notification to major statewide media.

(c) Notwithstanding paragraph (b), a licensee that maintains its own notification procedure as part of its information security program that is consistent with the timing requirements of this subdivision is deemed to comply with the notification requirements if the licensee notifies subject consumers in accordance with its program.

(d) A waiver of the requirements under this subdivision is contrary to public policy, and is void and unenforceable.

Subd. 4. **Notice regarding cybersecurity events of third-party service providers.** (a) In the case of a cybersecurity event in a system maintained by a third-party service provider, of which the

licensee has become aware, the licensee shall treat such event as it would under subdivision 1 unless the third-party service provider provides the notice required under subdivision 1.

(b) The computation of a licensee's deadlines shall begin on the day after the third-party service provider notifies the licensee of the cybersecurity event or the licensee otherwise has actual knowledge of the cybersecurity event, whichever is sooner.

(c) Nothing in this act shall prevent or abrogate an agreement between a licensee and another licensee, a third-party service provider, or any other party to fulfill any of the investigation requirements imposed under section 60A.9854 or notice requirements imposed under this section.

Subd. 5. Notice regarding cybersecurity events of reinsurers to insurers. (a) In the case of a cybersecurity event involving nonpublic information that is used by the licensee that is acting as an assuming insurer or in the possession, custody, or control of a licensee that is acting as an assuming insurer and that does not have a direct contractual relationship with the affected consumers, the assuming insurer shall notify its affected ceding insurers and the commissioner of its state of domicile within three business days of making the determination that a cybersecurity event has occurred.

(b) The ceding insurers that have a direct contractual relationship with affected consumers shall fulfill the consumer notification requirements imposed under subdivision 3 and any other notification requirements relating to a cybersecurity event imposed under this section.

(c) In the case of a cybersecurity event involving nonpublic information that is in the possession, custody, or control of a third-party service provider of a licensee that is an assuming insurer, the assuming insurer shall notify its affected ceding insurers and the commissioner of its state of domicile within three business days of receiving notice from its third-party service provider that a cybersecurity event has occurred.

(d) The ceding insurers that have a direct contractual relationship with affected consumers shall fulfill the consumer notification requirements imposed under subdivision 3 and any other notification requirements relating to a cybersecurity event imposed under this section.

(e) Any licensee acting as an assuming insurer shall have no other notice obligations relating to a cybersecurity event or other data breach under this section.

Subd. 6. Notice regarding cybersecurity events of insurers to producers of record. (a) In the case of a cybersecurity event involving nonpublic information that is in the possession, custody, or control of a licensee that is an insurer or its third-party service provider and for which a consumer accessed the insurer's services through an independent insurance producer, the insurer shall notify the producers of record of all affected consumers no later than the time at which notice is provided to the affected consumers.

(b) The insurer is excused from this obligation for those instances in which it does not have the current producer of record information for any individual consumer or in those instances in which the producer of record is no longer appointed to sell, solicit, or negotiate on behalf of the insurer.

Sec. 9. [60A.9854] POWER OF COMMISSIONER.

(a) The commissioner of commerce or commissioner of health, whichever commissioner otherwise regulates the licensee, shall have power to examine and investigate into the affairs of any licensee to determine whether the licensee has been or is engaged in any conduct in violation of sections 60A.985 to 60A.9857. This power is in addition to the powers which the commissioner has under section 60A.031. Any such investigation or examination shall be conducted pursuant to section 60A.031.

(b) Whenever the commissioner of commerce or commissioner of health has reason to believe that a licensee has been or is engaged in conduct in this state which violates sections 60A.985 to 60A.9857, the commissioner of commerce or commissioner of health may take action that is necessary or appropriate to enforce those sections.

Sec. 10. [60A.9855] CONFIDENTIALITY.

Subdivision 1. **Licensee information.** Any documents, materials, or other information in the control or possession of the department that are furnished by a licensee or an employee or agent thereof acting on behalf of a licensee pursuant to section 60A.9851, subdivision 9; section 60A.9853, subdivision 2, clauses (2), (3), (4), (5), (8), (10), and (11); or that are obtained by the commissioner in an investigation or examination pursuant to section 60A.9854 shall be nonpublic data pursuant to section 13.02; shall not be subject to subpoena; and shall not be subject to discovery or admissible in evidence in any private civil action. However, the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties. Nothing in this act shall allow the release of information that is nonpublic data pursuant to section 13.02.

Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subdivision 1.

Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's duties under this act, the commissioner:

(1) may share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision 1, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) may share documents, materials, or other information subject to subdivision 1, with a third-party consultant or vendor provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) may enter into agreements governing sharing and use of information consistent with this subdivision.

Subd. 4. **No waiver of privilege or confidentiality.** No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in subdivision 3.

Subd. 5. **Certain actions public.** Nothing in sections 60A.985 to 60A.9857 shall prohibit the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries.

Subd. 6. **Classification, protection, and use of information by others.** Documents, materials, or other information in the possession or control of the National Association of Insurance Commissioners or a third-party consultant pursuant to sections 60A.985 to 60A.9857 are classified as confidential, protected nonpublic, and privileged; are not subject to subpoena; and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 11. [60A.9856] EXCEPTIONS.

Subdivision 1. **Generally.** The following exceptions shall apply to sections 60A.985 to 60A.9857:

(1) a licensee with fewer than 25 employees is exempt from sections 60A.9851 and 60A.9852;

(2) a licensee subject to and in compliance with the Health Insurance Portability and Accountability Act, Public Law 104-191, 110 Stat. 1936 (HIPAA), is considered to comply with sections 60A.9851, 60A.9852, and 60A.9853, subdivisions 3 to 6, provided the licensee submits a written statement certifying its compliance with HIPAA;

(3) a licensee affiliated with a depository institution that maintains an information security program in compliance with the interagency guidelines establishing standards for safeguarding customer information as set forth pursuant to United States Code, title 15, sections 6801 and 6805, shall be considered to meet the requirements of section 60A.9851 provided that the licensee produce, upon request, documentation satisfactory to the commission that independently validates the affiliated depository institution's adoption of an information security program that satisfies the interagency guidelines;

(4) an employee, agent, representative, or designee of a licensee, who is also a licensee, is exempt from sections 60A.9851 and 60A.9852 and need not develop its own information security program to the extent that the employee, agent, representative, or designee is covered by the information security program of the other licensee; and

(5) an employee, agent, representative, or designee of a producer licensee, as defined under section 60K.31, subdivision 6, who is also a licensee, is exempt from sections 60A.985 to 60A.9857.

Subd. 2. **Deemer.** A licensee that is in compliance with another jurisdiction's mandated written insurance data security requirements that are at least as restrictive as this chapter will be considered to meet the requirements of this act with respect to establishing an information security program.

Sec. 12. [60A.9857] PENALTIES.

In the case of a violation of sections 60A.985 to 60A.9856, a licensee may be penalized in accordance with section 60A.052.

Sec. 13. Minnesota Statutes 2020, section 61A.245, subdivision 4, is amended to read:

Subd. 4. **Minimum values.** The minimum values as specified in subdivisions 5, 6, 7, 8 and 10 of any paid-up annuity, cash surrender or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this subdivision.

(a) The minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to that time at rates of interest as indicated in paragraph (b) of the net considerations, as defined in this subdivision, paid prior to that time, decreased by the sum of clauses (1) through (4):

(1) any prior withdrawals from or partial surrenders of the contract accumulated at rates of interest as indicated in paragraph (b);

(2) an annual contract charge of \$50, accumulated at rates of interest as indicated in paragraph (b);

(3) any premium tax paid by the company for the contract and not subsequently credited back to the company, such as upon early termination of the contract, in which case this decrease must not be taken, accumulated at rates of interest as indicated in paragraph (b); and

(4) the amount of any indebtedness to the company on the contract, including interest due and accrued.

The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount equal to 87.5 percent of the gross considerations credited to the contract during that contract year.

(b) The interest rate used in determining minimum nonforfeiture amounts must be an annual rate of interest determined as the lesser of three percent per annum and the following, which must be specified in the contract if the interest rate will be reset:

(1) the five-year constant maturity treasury rate reported by the Federal Reserve as of a date, or average over a period, rounded to the nearest 1/20 of one percent, specified in the contract no longer than 15 months prior to the contract issue date or redetermination date under clause (4);

(2) reduced by 125 basis points;

(3) where the resulting interest rate is not less than ~~one~~ 0.15 percent; and

(4) the interest rate shall apply for an initial period and may be redetermined for additional periods. The redetermination date, basis, and period, if any, shall be stated in the contract. The basis is the date or average over a specified period that produces the value of the five-year constant maturity treasury rate to be used at each redetermination date.

(c) During the period or term that a contract provides substantive participation in an equity indexed benefit, it may increase the reduction described in clause (2) by up to an additional 100 basis points to reflect the value of the equity index benefit. The present value at the contract issue date, and at each redetermination date thereafter, of the additional reduction must not exceed the market value of the benefit. The commissioner may require a demonstration that the present value of the additional reduction does not exceed the market value of the benefit. Lacking such a demonstration that is acceptable to the commissioner, the commissioner may disallow or limit the additional reduction.

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

Sec. 14. Minnesota Statutes 2020, section 79.55, subdivision 10, is amended to read:

Subd. 10. **Duties of commissioner; report.** ~~The commissioner shall issue a report by March 1 of each year, comparing the average rates charged by workers' compensation insurers in the state to the pure premium base rates filed by the association, as reviewed by the Rate Oversight Commission. The Rate Oversight Commission shall review the commissioner's report and if the experience indicates that rates have not reasonably reflected changes in pure premiums, the rate oversight commission shall recommend to the legislature appropriate legislative changes to this chapter.~~

(a) By March 1 of each year, the commissioner must issue a report that evaluates the competitiveness of the workers' compensation market in Minnesota, in order to evaluate whether the competitive rating law is working.

(b) The report under this subdivision must (1) compare the average rates charged by workers' compensation insurers in Minnesota with the pure premium base rates filed by the association, and (2) provide market information, including but not limited to the number of carriers, market shares, the loss-cost multipliers used by companies, and the residual market and self-insurance.

(c) The commissioner must provide the report to the Rate Oversight Commission for review. If after reviewing the report the Rate Oversight Commission concludes that concerns exist regarding the competitiveness of the workers' compensation market in Minnesota, the Rate Oversight Commission must recommend to the legislature appropriate modifications to this chapter.

Sec. 15. Minnesota Statutes 2020, section 79.61, subdivision 1, is amended to read:

Subdivision 1. **Required activity.** (a) Any data service organization shall perform the following activities:

(1) file statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(2) establish requirements for data reporting and monitoring methods to maintain a high quality database;

(3) prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) ~~development factors and alternative derivations~~ losses developed to their ultimate level;

(ii) ~~trend factors and alternative derivations and applications~~ trended losses;

(iii) loss adjustment expenses;

(iv) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

~~(iv)~~ (v) an evaluation of the effects of changes in law on loss data;

~~The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;~~

(4) collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(5) prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(6) provide loss data specific to an insured to the insured at a reasonable cost;

(7) distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(8) assess its members for operating expenses on a fair and equitable basis.

(b) The report under paragraph (a), clause (3), shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization. For purposes of this subdivision, "expenses" means expenses other than loss adjustment expenses.

Sec. 16. Minnesota Statutes 2020, section 80G.06, subdivision 1, is amended to read:

Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the transactions conducted with Minnesota consumers (purchases from and sales to consumers at retail) during the 12-month period prior to registration, or renewal, whichever is applicable.

(b) The amount of the surety bond shall be as specified in the table below:

Transaction Amount in Preceding 12-month Period	Surety Bond Required
\$25,000 \$0 to \$200,000	\$25,000
\$200,000.01 to \$500,000	\$50,000
\$500,000.01 to \$1,000,000	\$100,000
\$1,000,000.01 to \$2,000,000	\$150,000
Over \$2,000,000	\$200,000

Sec. 17. **[80G.11] NOTIFICATION TO COMMISSIONER.**

A dealer must notify the commissioner of any dealer representative termination within ten days of the termination if the termination is based in whole or in part on a violation of this chapter.

Sec. 18. Minnesota Statutes 2020, section 82.57, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

(a) a fee of \$150 for each initial individual broker's license, and a fee of \$100 for each renewal thereof;

(b) a fee of \$70 for each initial salesperson's license, and a fee of \$40 for each renewal thereof;

(c) a fee of \$85 for each initial real estate closing agent license, and a fee of \$60 for each renewal thereof;

(d) a fee of \$150 for each initial corporate, limited liability company, or partnership license, and a fee of \$100 for each renewal thereof;

(e) a fee for payment to the education, research and recovery fund in accordance with section 82.86;

(f) a fee of \$20 for each transfer;

~~(g) a fee of \$50 for license reinstatement;~~

~~(h)~~ (g) a fee of \$20 for reactivating a corporate, limited liability company, or partnership license; and

~~(i)~~ (h) in addition to the fees required under this subdivision, individual licensees under clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

Sec. 19. Minnesota Statutes 2020, section 82.57, subdivision 5, is amended to read:

Subd. 5. **Initial license expiration; fee reduction.** ~~If an initial license issued under subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the license fee shall be reduced by an amount equal to one-half the fee for a renewal of the license. An initial license issued under this chapter expires in the year that results in the term of the license being at least 12 months, but no more than 24 months.~~

Sec. 20. Minnesota Statutes 2020, section 82.62, subdivision 3, is amended to read:

Subd. 3. **Timely renewals.** ~~A person whose application for a license renewal has not been timely submitted and who has not received notice of approval of renewal may not continue to transact business either as a real estate broker, salesperson, or closing agent after June 30 of the renewal year until approval of renewal is received. Application for renewal of a license is timely submitted if: all requirements for renewal, including continuing education requirements, have been completed and reported pursuant to section 45.43, subdivision 1.~~

~~(1) all requirements for renewal, including continuing education requirements, have been completed by June 15 of the renewal year; and~~

~~(2) the application is submitted before the renewal deadline in the manner prescribed by the commissioner, duly executed and sworn to, accompanied by fees prescribed by this chapter, and containing any information the commissioner requires.~~

Sec. 21. Minnesota Statutes 2020, section 82.81, subdivision 12, is amended to read:

Subd. 12. **Fraudulent, deceptive, and dishonest practices.** (a) **Prohibitions.** For the purposes of section 82.82, subdivision 1, clause (b), the following acts and practices constitute fraudulent, deceptive, or dishonest practices:

(1) act on behalf of more than one party to a transaction without the knowledge and consent of all parties;

(2) act in the dual capacity of licensee and undisclosed principal in any transaction;

(3) receive funds while acting as principal which funds would constitute trust funds if received by a licensee acting as an agent, unless the funds are placed in a trust account. Funds need not be placed in a trust account if a written agreement signed by all parties to the transaction specifies a different disposition of the funds, in accordance with section 82.82, subdivision 1;

(4) violate any state or federal law concerning discrimination intended to protect the rights of purchasers or renters of real estate;

(5) make a material misstatement in an application for a license or in any information furnished to the commissioner;

(6) procure or attempt to procure a real estate license for ~~himself or herself~~ the procuring individual or any person by fraud, misrepresentation, or deceit;

(7) represent membership in any real estate-related organization in which the licensee is not a member;

(8) advertise in any manner that is misleading or inaccurate with respect to properties, terms, values, policies, or services conducted by the licensee;

(9) make any material misrepresentation or permit or allow another to make any material misrepresentation;

(10) make any false or misleading statements, or permit or allow another to make any false or misleading statements, of a character likely to influence, persuade, or induce the consummation of a transaction contemplated by this chapter;

(11) fail within a reasonable time to account for or remit any money coming into the licensee's possession which belongs to another;

(12) commingle with ~~his or her~~ the individual's own money or property trust funds or any other money or property of another held by the licensee;

(13) a demand from a seller for a commission to or compensation to which the licensee is not entitled, knowing that ~~he or she~~ the individual is not entitled to the commission or compensation;

(14) pay or give money or goods of value to an unlicensed person for any assistance or information relating to the procurement by a licensee of a listing of a property or of a prospective buyer of a property (this item does not apply to money or goods paid or given to the parties to the transaction);

(15) fail to maintain a trust account at all times, as provided by law;

(16) engage, with respect to the offer, sale, or rental of real estate, in an anticompetitive activity;

(17) represent on advertisements, cards, signs, circulars, letterheads, or in any other manner, that ~~he or she~~ the individual is engaged in the business of financial planning unless ~~he or she~~ the individual provides a disclosure document to the client. The document must be signed by the client and a copy must be left with the client. The disclosure document must contain the following:

(i) the basis of fees, commissions, or other compensation received by ~~him or her~~ an individual in connection with rendering of financial planning services or financial counseling or advice in the following language:

"My compensation may be based on the following:

(a) ... commissions generated from the products I sell you;

(b) ... fees; or

(c) ... a combination of (a) and (b). [Comments]";

(ii) the name and address of any company or firm that supplies the financial services or products offered or sold by ~~him or her~~ an individual in the following language:

"I am authorized to offer or sell products and/or services issued by or through the following firm(s):

[List]

The products will be traded, distributed, or placed through the clearing/trading firm(s) of:

[List]";

(iii) the license(s) held by the person under this chapter or chapter 60A or 80A in the following language:

"I am licensed in Minnesota as a(n):

- (a) ... insurance agent;
- (b) ... securities agent or broker/dealer;
- (c) ... real estate broker or salesperson;
- (d) ... investment adviser"; and

(iv) the specific identity of any financial products or services, by category, for example mutual funds, stocks, or limited partnerships, the person is authorized to offer or sell in the following language:

"The license(s) entitles me to offer and sell the following products and/or services:

- (a) ... securities, specifically the following: [List];
- (b) ... real property;
- (c) ... insurance; and
- (d) ... other: [List]."

(b) **Determining violation.** A licensee shall be deemed to have violated this section if the licensee has been found to have violated sections 325D.49 to 325D.66, by a final decision or order of a court of competent jurisdiction.

(c) **Commissioner's authority.** Nothing in this section limits the authority of the commissioner to take actions against a licensee for fraudulent, deceptive, or dishonest practices not specifically described in this section.

Sec. 22. Minnesota Statutes 2020, section 82B.021, subdivision 18, is amended to read:

Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser" means an individual licensed under this chapter to perform appraisals on noncomplex one-family to four-family residential units or agricultural property having a transactional value of less than \$1,000,000 and complex one-family to four-family residential units or agricultural property having a transactional value of less than ~~\$250,000~~ \$400,000.

Sec. 23. Minnesota Statutes 2020, section 82B.11, subdivision 3, is amended to read:

Subd. 3. **Licensed residential real property appraiser.** A licensed residential real property appraiser may appraise noncomplex residential property or agricultural property having a transaction value less than \$1,000,000 and complex residential or agricultural property having a transaction value less than ~~\$250,000~~ \$400,000.

Sec. 24. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

Subd. 3. **Term and fees.** Licenses issued or renewed and registrations received by the commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each collection agency license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each collection agency license is \$500, and renewal is \$400. The fee for each collector registration and renewal is \$10, which entitles the individual collector to work at a licensee's business location or in another location as provided under subdivision 5b. An additional branch license is not required for a location used under subdivision 5b. A collection agency licensee who desires to carry on business in more than one place shall procure a license for each place where the business is to be conducted.

Sec. 25. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to read:

Subd. 5b. **Work from home.** An employee of a licensed collection agency may work from a location other than the licensee's business location if the licensee and employee comply with all requirements under this section that would apply if the employee were working at the business location.

Sec. 26. **[332.61] INFORMATIVE DISCLOSURE.**

A lead generator must prominently make the following disclosure on all print, electronic, and nonprint solicitations, including advertising on websites, radio, or television: "This company does not actually provide any of the credit services you are seeking. We ONLY refer you to companies that want to provide some or all of those services."

Sec. 27. Minnesota Statutes 2020, section 386.375, subdivision 3, is amended to read:

Subd. 3. **Consumer education information.** (a) A person other than the mortgagor or fee owner who transfers or offers to transfer an abstract of title shall present to the mortgagor or fee owner basic information in plain English about abstracts of title. This information must be sent in a form prepared and approved by the commissioner of commerce and must contain at least the following items:

- (1) a definition and description of abstracts of title;
- (2) an explanation that holders of abstracts of title must maintain it with reasonable care;
- (3) an approximate cost or range of costs to replace a lost or damaged abstract of title; and
- ~~(4) an explanation that abstracts of title may be required to sell, finance, or refinance real estate;~~
and
- ~~(5)~~ (4) an explanation of options for storage of abstracts.

(b) The commissioner shall prepare the form for use under this subdivision as soon as possible. This subdivision does not apply until 60 days after the form is approved by the commissioner.

(c) A person violating this subdivision is subject to a penalty of \$200 for each violation.

Sec. 28. **EXCLUSIVITY.**

Notwithstanding any other provision of law, this act establishes the exclusive state standards applicable to licensees for data security, the investigation of a cybersecurity event, and notification of a cybersecurity event.

Sec. 29. **EXPEDITED RULEMAKING AUTHORIZED.**

The commissioner shall amend Minnesota Rules, parts 2705.1000, item B, subitem (4); 2705.0200, subpart 7; 2705.1700, subpart 2; and 2705.1800, item B, or other parts of Minnesota Rules, chapter 2705, as necessary to permit a data service organization to collect loss adjustment expense data and to consider and include in its ratemaking report losses developed to their ultimate value, trended losses, and loss adjustment expenses. The commissioner may use the expedited rulemaking procedures under Minnesota Statutes, section 14.389.

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 2020, sections 60A.98; 60A.981; and 60A.982, are repealed.

(b) Minnesota Statutes 2020, section 45.017, is repealed.

Sec. 31. **EFFECTIVE DATE.**

(a) Sections 1 to 3 are effective January 1, 2022, and apply to reinsurance contracts entered into or renewed on or after that date.

(b) Sections 5 to 12, 28, and 30, paragraph (a), are effective August 1, 2021. Licensees have one year from the effective date to implement Minnesota Statutes, section 60A.9851, subdivisions 1 to 5 and 7 to 9, and two years from the effective date of this act to implement Minnesota Statutes, section 60A.9851, subdivision 6."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1846 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Abeler	Bigham	Clausen	Dibble	Dziedzic
Anderson	Carlson	Coleman	Dornink	Eaton
Bakk	Chamberlain	Cwodzinski	Draheim	Eichorn
Benson	Champion	Dahms	Duckworth	Eken

Fateh	Isaacson	Latz	Osmek	Tomassoni
Franzen	Jasinski	Limmer	Pappas	Torres Ray
Frentz	Johnson	Marty	Port	Utke
Gazelka	Johnson Stewart	Mathews	Pratt	Weber
Goggin	Kent	McEwen	Putnam	Westrom
Hawj	Kiffmeyer	Miller	Rarick	Wiger
Hoffman	Klein	Murphy	Rest	Wiklund
Housley	Koran	Nelson	Rosen	
Howe	Kunesh	Newman	Ruud	
Ingebrigtsen	Lang	Newton	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Ingebrigtsen, Newman, Osmek, Rosen, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Cwodzinski, Eaton, Eken, Fateh, Isaacson, Johnson Stewart, Klein, Kunesh, Latz, Newton, Port, and Wiklund.

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

SPECIAL ORDER

S.F. No. 959: A bill for an act relating to state government; appropriating money for environment and natural resources and tourism; modifying fees and programs; creating accounts; authorizing sales and conveyances of certain state land; modifying forestry provisions; modifying game and fish laws; modifying water law; modifying natural resource and environment provisions; requiring reports; making technical corrections; amending Minnesota Statutes 2020, sections 17.4982, subdivisions 6, 8, 9, 12, by adding subdivisions; 17.4985, subdivisions 2, 3, 5; 17.4986, subdivisions 2, 4; 17.4991, subdivision 3; 17.4992, subdivision 2; 17.4993, subdivision 1; 84.027, subdivisions 13a, 18, by adding a subdivision; 84.415, by adding a subdivision; 84.63; 84.631; 84.82, subdivisions 1a, 7a; 84.92, subdivision 8; 84.943, subdivisions 3, 5; 84.944, subdivision 1; 84.946, subdivision 4; 84D.02, subdivision 3; 84D.11, subdivision 1a; 85.052, subdivisions 1, 2, 6; 85.053, subdivision 2, by adding a subdivision; 85.054, subdivision 1; 85.43; 89.021, by adding a subdivision; 89.17; 89A.11; 92.50, by adding a subdivision; 92.502; 94.3495, subdivision 3; 97A.015, subdivision 29; 97A.075, subdivisions 1, 7; 97A.126, by adding a subdivision; 97A.137, subdivision 5; 97A.401, subdivision 1, by adding a subdivision; 97A.421, subdivision 1, by adding a subdivision; 97A.475, subdivisions 2, 3, 3a, 4; 97A.505, subdivision 3b; 97B.022, by adding a subdivision; 97B.036; 97B.055, subdivision 2; 97B.071; 97B.086; 97B.311; 97B.415; 97B.645, subdivision 9; 97B.715, subdivision 1; 97B.801; 97B.811, subdivision 4a; 97C.005, subdivision 3; 97C.081, subdivisions 3, 3a; 97C.211, subdivision 2a; 97C.342, subdivision 2; 97C.515, subdivision 2; 97C.805, subdivision 2; 97C.836; 103A.212; 103C.315, subdivision 4; 103G.201; 103G.223; 103G.271, subdivisions 4a, 7, by adding subdivisions; 103G.287, subdivisions 4, 5; 103G.289; 103G.401; 115.03, subdivision 1; 115.455; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.03, subdivisions 25, 25d, 27, 28, 34, 35, 36, by adding subdivisions; 115A.565, subdivision 1; 115B.40, subdivision 1; 116.03, subdivision 2b; 116.06, subdivision 22; 116.07, subdivisions 2, 4d, 7, by adding a subdivision; 116.155, by adding a subdivision; 116D.04, subdivision 2a; 116G.07, by adding a subdivision; 116G.15, by adding a subdivision; 127A.353, subdivision 4; 282.08; 290C.04; Laws 2016, chapter 154, sections 16; 48; Laws 2016, chapter 186, section 2, subdivision 9, as amended; Laws 2017, chapter 96, section 2, subdivision 9, as amended; Laws 2018, chapter 214, article 4, section 2, subdivision 6; Laws 2019, First Special Session chapter 4, article 1, section 2, subdivision 9; article

3, section 109, as amended; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 92; 103F; 103G; 115A; 115B; 116; 116P; repealing Minnesota Statutes 2020, sections 85.0505, subdivision 3; 85.0507; 85.054, subdivision 19; 97C.515, subdivisions 4, 5; Laws 2013, chapter 121, section 53; Minnesota Rules, part 6232.0350.

Senator Ruud moved to amend S.F. No. 959 as follows:

Page 160, line 23, after "RULEMAKING" insert "FOR FACILITIES THAT PROCESS SUGAR BEETS"

Page 160, line 27, delete "occurring" and insert "from facilities that process sugar beets that are located"

Page 160, line 29, before the period, insert "at those facilities"

Page 160, line 32, delete "dischargers" and insert "facilities that process sugar beets"

Page 161, line 5, delete "occurring" and insert "from facilities that process sugar beets"

Page 161, line 7, after "discharger" insert "that is a facility that processes sugar beets"

Page 161, line 17, after "conditions" insert "for facilities that process sugar beets"

Page 179, line 19, delete "\$2,500,000" and insert "\$6,000,000"

Page 188, delete lines 7 to 34

Page 189, delete lines 1 to 33

Page 189, line 34, delete "(h)" and insert "(e)"

Page 190, line 7, delete "(i)" and insert "(f)"

Page 190, line 14, delete "(j)" and insert "(g)"

Page 190, line 25, delete "(k)" and insert "(h)"

Page 191, line 7, delete "(l)" and insert "(i)"

Page 191, line 26, delete "(m)" and insert "(j)"

Page 202, delete subdivision 4 and insert:

"Subd. 4. **Water quality and storage practices.** "Water quality and storage practices" are those practices which sustain or improve water quality via surface water rate and volume and ecological management, including but not limited to:

(1) retention structures and basins;

(2) soil and substrate infiltration;

(3) wetland restoration or enhancement;

- (4) channel restoration or enhancement;
- (5) floodplain restoration or enhancement; and
- (6) in-channel and overflow revegetation with native species."

Correct the subdivision and section totals and the appropriations by fund

The motion prevailed. So the amendment was adopted.

President Miller called Senator Tomassoni to preside.

Senator Ruud moved to amend S.F. No. 959 as follows:

Page 76, after line 26, insert:

"Sec. 77. Minnesota Statutes 2020, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** (a) A person may not take turtles ~~in any manner, except by the use of~~ using:

- (1) explosives, drugs, poisons, lime, and other harmful substances;
- (2) traps, except as provided in paragraph (b) and rules adopted under this section;
- (3) nets other than anglers' fish landing nets; ~~or~~
- (4) commercial equipment, except as provided in rules adopted under this section;
- (5) firearms and ammunition;
- (6) bow and arrow or crossbow; or
- (7) spears, harpoons, or any other implements that impale turtles.

(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:

- (1) has one or more openings above the water surface that measure at least ten inches by four inches; and
- (2) has a mesh size of not less than one-half inch, bar measure.

Sec. 78. Minnesota Statutes 2020, section 97C.611, is amended to read:

97C.611 ~~SNAPPING TURTLES~~ TURTLE SPECIES; LIMITS.

Subdivision 1. Snapping turtles. A person may not possess more than three snapping turtles of the species *Chelydra serpentina* without a turtle seller's license. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* without a turtle seller's license. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, clause (4).

Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.

Subd. 4. **Other species.** A person may not possess any other species of turtle without an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Abeler moved to amend the Ruud amendment to S.F. No. 959 as follows:

Page 1, after line 2, insert:

"Sec. 77. Minnesota Statutes 2020, section 97C.605, subdivision 2, is amended to read:

Subd. 2. **Turtle seller's license.** (a) A person may not take, possess, buy, or transport turtles for sale; sell turtles; or take turtles for sale using commercial equipment without a turtle seller's license, except as provided in subdivision 2c.

(b) Except for renewals, no new turtle seller's licenses may be issued after August 1, 2002.

(c) A turtle seller's license is transferable by the turtle seller licensee by making application to the commissioner. ~~A turtle seller's license may be transferred only once under this paragraph and the transfer must be to a child of the person holding the turtle seller's license."~~

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the second Ruud amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Franzen moved to amend S.F. No. 959 as follows:

Page 71, delete section 67

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Abeler	Dziedzic	Housley	Marty	Putnam
Bigham	Eaton	Isaacson	McEwen	Rest
Carlson	Fateh	Johnson Stewart	Murphy	Torres Ray
Champion	Franzen	Kent	Nelson	Wiger
Clausen	Frentz	Klein	Newton	Wiklund
Cwodzinski	Hawj	Kunesh	Pappas	
Dibble	Hoffman	Latz	Port	

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

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Fateh, Isaacson, Kunesh, Latz, Marty, Newton, Port, and Wiklund.

Those who voted in the negative were:

Anderson	Draheim	Ingebrigtsen	Mathews	Ruud
Bakk	Duckworth	Jasinski	Miller	Senjem
Benson	Eichorn	Johnson	Newman	Tomassoni
Chamberlain	Eken	Kiffmeyer	Osmek	Utke
Coleman	Gazelka	Koran	Pratt	Weber
Dahms	Goggin	Lang	Rarick	Westrom
Dornink	Howe	Limmer	Rosen	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Ingebrigtsen, Newman, Osmek, and Pratt.

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

The motion did not prevail. So the amendment was not adopted.

Senator Senjem moved to amend S.F. No. 959 as follows:

Page 163, after line 21, insert:

"Sec. 161. MORATORIUM ON SPECIAL PERMITS TO TAKE CANADA GOOSE NESTS AND EGGS.

Until July 1, 2022, the commissioner of natural resources shall cancel any existing and not issue any new special permits under Minnesota Statutes, section 97A.401, subdivision 5, for Canada goose egg oiling or egg destruction including addling or puncturing.

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

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator McEwen moved to amend S.F. No. 959 as follows:

Page 16, after line 4, insert:

"(j) \$880,000 the first year is to establish and implement a climate resiliency program providing technical assistance and grants to local governmental units and Tribal Governments. Climate resiliency technical assistance and grants may fund climate risk assessment, planning, and pre-design necessary for infrastructure bond funding to address issues of community flooding and wastewater treatment system overflows caused by inadequate stormwater or sanitary sewer infrastructure. This is a onetime appropriation."

Page 36, delete lines 17 to 20

Correct the subdivision and section totals and the appropriations by fund

President Miller resumed the Chair.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Eaton	Isaacson	McEwen	Torres Ray
Carlson	Eken	Johnson Stewart	Murphy	Wiger
Champion	Fateh	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cwodzinski	Frentz	Kunesh	Port	
Dibble	Hawj	Latz	Putnam	
Dziedzic	Hoffman	Marty	Rest	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Eken, Fateh, Isaacson, Kunesh, Latz, Marty, Newton, Port, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Housley, Ingebrigtsen, Newman, Osmek, and Pratt.

The motion did not prevail. So the amendment was not adopted.

Senator Torres Ray moved to amend S.F. No. 959 as follows:

Page 6, delete lines 29 to 34

Page 7, delete lines 1 to 3

Page 7, line 4, delete "(n)" and insert "(l)"

Page 7, delete lines 8 to 11

Page 7, after line 34, insert:

"(c) \$180,000 the second year is from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities. Of this amount, \$176,000 is a onetime appropriation.

(d) \$384,000 the first year and \$384,000 the second year are from the environmental fund for implementation of the environmental justice and cumulative impact analysis requirements under Minnesota Statutes, section 116.065. This is a onetime appropriation."

Page 105, after line 24, insert:

"Sec. 117. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 6a. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

Sec. 118. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 6b. **Community of color.** "Community of color" means a geographically distinct population with a substantial number of individuals who identify as Black, African American, Hispanic, Latinx, Asian, Pacific Islander, or any other nonwhite race.

Sec. 119. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 6c. **Cumulative impacts.** "Cumulative impacts" means the potential public health and environmental impacts from combined pollutant exposures and risks, incorporating the context of community vulnerabilities, assessed from publicly accessible data based on the past, present, and reasonably foreseeable future levels, emissions, and discharges affecting the geographical area.

Sec. 120. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 10a. **Environmental justice.** "Environmental justice" means that communities of color, indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced.

Sec. 121. Minnesota Statutes 2020, section 116.06, is amended by adding a subdivision to read:

Subd. 10b. **Environmental justice area of concern.** "Environmental justice area of concern" means a census tract or tracts:

(1) wherein at least 40 percent of people reported income less than 200 percent of the federal poverty level;

(2) wherein at least 45 percent of the people identify as people of color in the most recent data from the United States Census Bureau; or

(3) that are in Indian Country, as defined in United States Code, title 18, section 1151."

Page 106, after line 15, insert:

"Sec. 123. **[116.065] ENVIRONMENTAL JUSTICE AREAS OF CONCERN.**

(a) When a new facility or a proposed expansion of an existing facility is located in an environmental justice area of concern, the owner or operator of the facility must conduct an analysis of the cumulative impacts that the facility or expansion would cause or contribute to in the environmental justice area of concern.

(b) An owner or operator of a facility or project that requires a state permit under chapters 115 to 116 and that is located in an environmental justice area of concern must hold at least one public meeting in the area of concern before the commissioner issues or denies a permit.

(c) The commissioner may require a permitted facility located in an environmental justice area of concern to hold in-person meetings with neighbors to share information and discuss community concerns. The commissioner may set the number and frequency of required meetings as permit conditions.

(d) The commissioner may deny permits in an environmental justice area of concern if the commissioner finds that a new facility that requires a permit from the agency would cause or contribute to adverse cumulative impacts. The commissioner may consider other compelling public interests in the decision to issue permits according to this section.

(e) The commissioner must adopt rules according to chapter 14 to implement this section."

Page 111, after line 17, insert:

"Sec. 126. Minnesota Statutes 2020, section 116.07, subdivision 6, is amended to read:

Subd. 6. **Pollution Control Agency; exercise of powers.** In exercising all ~~its~~ powers, the commissioner of the Pollution Control Agency shall give due consideration to must:

(1) consider the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and shall must take or provide for such action as may be reasonable, feasible, and practical under the circumstances; and

(2) to the extent reasonable, feasible, and practical under the circumstances:

(i) ensure that actions or programs that have a direct, indirect, or cumulative impact on environmental justice areas of concern incorporate community-focused practices and procedures in agency processes, including communication, outreach, engagement, and education to enhance meaningful, timely, and transparent community access;

(ii) collaborate with other state agencies to identify, develop, and implement means to eliminate and reverse environmental and health inequities and disparities;

(iii) promote the utility and availability of environmental data and analysis for environmental justice areas of concern, other agencies, federally recognized tribal governments, and the public;

(iv) encourage coordination and collaboration with residents of environmental justice areas of concern to address environmental and health inequities and disparities; and

(v) ensure environmental justice values are represented to the agency from a commissioner-appointed environmental justice advisory committee that is composed of diverse members and that is developed and operated in a manner open to the public and in accordance with the duties described in the bylaws and charter adopted and maintained by the commissioner."

Page 160, delete section 155

Page 161, delete sections 156 and 157

Page 162, delete section 158

Correct the subdivision and section totals and the appropriations by fund

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 36, as follows:

Those who voted in the affirmative were:

Bigham	Cwodzinski	Eken	Hawj	Kent
Carlson	Dibble	Fateh	Hoffman	Klein
Champion	Dziedzic	Franzen	Isaacson	Kunesh
Clausen	Eaton	Frentz	Johnson Stewart	Latz

Marty	Newton	Putnam	Wiger
McEwen	Pappas	Rest	Wiklund
Murphy	Port	Torres Ray	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Eken, Fateh, Isaacson, Kunesh, Latz, Marty, Newton, Port, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Jasinski	Nelson	Tomassoni
Anderson	Duckworth	Johnson	Newman	Utke
Bakk	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Housley	Limmer	Rosen	
Dahms	Howe	Mathews	Ruud	
Dornink	Ingebrigtsen	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Housley, Ingebrigtsen, Newman, Osmek, and Pratt.

The motion did not prevail. So the amendment was not adopted.

Senator Dibble moved to amend S.F. No. 959 as follows:

Page 46, delete section 17

Page 60, delete section 46

Page 74, delete section 74

Page 75, delete section 76

Page 78, delete section 81

Page 80, delete section 82

Page 81, delete section 85

Page 82, delete sections 86 and 87

Page 83, delete sections 88 and 89

Page 84, delete sections 90 to 92

Page 89, delete sections 93 to 96

Page 103, delete section 116

Page 109, delete section 119

Page 111, delete section 120

Page 115, delete section 121

Page 116, delete section 124

Page 159, delete section 153

Page 160, delete section 155

Page 161, delete sections 156 and 157

Page 162, delete section 158

Page 163, line 23, before "85.054" insert "and"

Page 163, line 24, delete "; and 97C.515, subdivisions 4 and 5"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson Stewart	McEwen	Rest
Carlson	Eaton	Kent	Murphy	Torres Ray
Champion	Franzen	Klein	Newton	Wiger
Clausen	Hawj	Kunesh	Pappas	Wiklund
Cwodzinski	Hoffman	Latz	Port	
Dibble	Isaacson	Marty	Putnam	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Isaacson, Kunesh, Latz, Marty, Newton, Port, and Wiklund.

Those who voted in the negative were:

Anderson	Draheim	Howe	Mathews	Ruud
Bakk	Duckworth	Ingebrigtsen	Miller	Senjem
Benson	Eichorn	Jasinski	Nelson	Tomassoni
Bigham	Eken	Johnson	Newman	Utke
Chamberlain	Frentz	Kiffmeyer	Osmek	Weber
Coleman	Gazelka	Koran	Pratt	Westrom
Dahms	Goggin	Lang	Rarick	
Dornink	Housley	Limmer	Rosen	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Duckworth, Eichorn, Housley, Ingebrigtsen, Newman, Osmek, and Pratt.

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

The motion did not prevail. So the amendment was not adopted.

Senator Cwodzinski moved to amend S.F. No. 959 as follows:

Page 34, line 26, delete "1,790,000" and insert "2,540,000" and delete "1,790,000" and insert "2,540,000"

Page 34, line 27, delete "7,350,000" and insert "6,600,000" and delete "7,350,000" and insert "6,600,000"

Page 34, line 28, delete "\$1,790,000" and insert "\$2,540,000" and delete "\$1,790,000" and insert "\$2,540,000"

Page 34, line 33, delete "\$7,350,000" and insert "\$6,600,000" and delete "\$7,350,000" and insert "\$6,600,000"

Correct the subdivision and section totals and the appropriations by fund

Pursuant to Rule 7.4, Senator Ruud questioned whether the Cwodzinski amendment was in order. The President ruled the amendment was out of order.

Senator McEwen moved to amend S.F. No. 959 as follows:

Page 106, delete section 118

Page 115, delete section 123

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Bigham	Dziedzic	Hoffman	Latz	Port
Carlson	Eaton	Isaacson	Marty	Putnam
Champion	Fateh	Johnson Stewart	McEwen	Rest
Clausen	Franzen	Kent	Murphy	Torres Ray
Cwodzinski	Frentz	Klein	Newton	Wiger
Dibble	Hawj	Kunesh	Pappas	Wiklund

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Fateh, Isaacson, Kunesh, Latz, Newton, Port, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Ingebrigtsen	Miller	Senjem
Anderson	Duckworth	Jasinski	Nelson	Tomassoni
Bakk	Eichorn	Johnson	Newman	Utke
Benson	Eken	Kiffmeyer	Osmek	Weber
Chamberlain	Gazelka	Koran	Pratt	Westrom
Coleman	Goggin	Lang	Rarick	
Dahms	Housley	Limmer	Rosen	
Dornink	Howe	Mathews	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Duckworth, Eichorn, Housley, Ingebrigtsen, Newman, Osmek, Pratt, and Rosen.

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

The motion did not prevail. So the amendment was not adopted.

Senator Bigham moved to amend S.F. No. 959 as follows:

Page 115, after line 11, insert:

"Sec. 122. [116.0735] AUTHORITY TO REQUIRE INFORMATION ON CONTAMINANTS.

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

(b) "Activities" means actions by a person that produce, emit, discharge, release, threaten to release, or otherwise cause a contaminant to enter the environment or the human body and that occurred at a point in time or continue to occur. Activities includes but is not limited to manufacturing, distributing, using, or selling products.

(c) "Agency" means the Minnesota Pollution Control Agency.

(d) "Agency action" means investigating, monitoring, surveying, testing, or other similar action necessary or appropriate to identify the existence and extent of a release of a contaminant or threat of a release, the source and nature of the contaminant, and the extent of danger to the public health or welfare or the environment.

(e) "Biomonitoring" means the process by which chemicals and their metabolites are identified and measured in a biospecimen.

(f) "Biospecimen" means a sample of human fluid, serum, or tissue that is reasonably available as a medium to measure the presence and concentration of chemicals or their metabolites in a human body.

(g) "Commissioner" means the commissioner of the agency.

(h) "Contaminant" means a substance with a distinct molecular composition or a group of structurally related substances, including the breakdown products of the substance or substances that form through decomposition, degradation, or metabolism, that may:

(1) harm normal development of a fetus or child or cause other developmental toxicity;

(2) cause cancer, genetic damage, or reproductive harm;

(3) disrupt the endocrine or hormone system;

(4) damage the nervous system, immune system, or organs or cause other systemic toxicity;

(5) be persistent, bioaccumulative, or toxic; or

(6) be very persistent or very bioaccumulative.

(i) "Monitoring" means sampling environmental media and analyzing general and specific data relating to the presence of contaminants.

(j) "Person" means an individual, partnership, association, public or private corporation, or other entity, including the United States government; any association, commission, or interstate body; the state and any agency, department, or political subdivision of the state; and any officer or governing or managing body of a municipality, governmental subdivision, public or private corporation, or other entity.

(k) "Supplier" means a person who provides goods or services that lead to or are incorporated into a finished product used in commerce or by consumers.

Subd. 2. **Agency action.** The commissioner may take agency action whenever:

(1) the commissioner detects a contaminant:

(i) during the agency's monitoring of Minnesota's environment;

(ii) through receipt of environmental monitoring data from a local, state, or federal agency or nongovernmental organization in the United States; or

(iii) through receipt of biomonitoring data of residents of the United States; or

(2) the commissioner has reason to believe that:

(i) a release of a contaminant has occurred, is about to occur, or is connected to a person's activities; or

(ii) illness, disease, environmental harm, or complaints thereof may be attributable to exposure to a contaminant connected to a person's activities.

Subd. 3. **Duty to provide information.** (a) When requested by the commissioner or the commissioner's designee, a person the commissioner has reason to believe is engaged in activities where agency action is proposed to be taken must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to the contaminant under investigation.

(b) For purposes of this subdivision, the commissioner may:

(1) request in writing that a person produce electronic or physical documents, papers, books, or other tangible items in the possession, custody, or control of the person;

(2) request in writing that a person provide information submitted to the person from a supplier or within the supply chain for production of a commercial or consumer good;

(3) examine and copy books, papers, records, memoranda, and other electronic or physical data of a person who has a duty to provide information under this subdivision; and

(4) enter upon public or private property to take an action authorized under this section, including to obtain information from a person who has a duty to provide the information under this subdivision and to conduct agency action.

(c) A person must submit requested information to the commissioner within the time specified in the commissioner's written request. If a person fails or refuses to comply with the commissioner's request for information, the commissioner may petition the district court for an order to compel compliance with the request or take other enforcement action authorized by law.

Subd. 4. **Classifying data.** Except as otherwise provided in this subdivision, data obtained from a person under this section are public data as defined in section 13.02. Upon certification by the subject of the data that the data relate to sales figures, processes or methods of production unique to that person, or information that would tend to adversely affect the competitive position of that person, the commissioner must classify the data as private or nonpublic data as defined in section 13.02. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant:

(1) in any proceeding under this section;

(2) in further agency actions, including permitting, setting local water quality standards, or other similar actions; and

(3) to other public agencies involved in protecting human health, welfare, or the environment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

President Miller called Senator Mathews to preside.

Senator Tomassoni moved to amend S.F. No. 959 as follows:

Page 20, line 2, after the period, insert "Of this amount, up to \$100,000 each year may be used to support the work of the Wild Rice Stewardship Council."

Page 47, after line 33, insert:

"Sec. 19. **[84.1511] WILD RICE STEWARDSHIP COUNCIL.**

Subdivision 1. **Council created.** (a) The Wild Rice Stewardship Council is established to foster leadership, collaboration, coordination, and communication among state and tribal government bodies and wild rice stakeholders. Members of the council must represent a wide range of interests and perspectives and be able to make interdisciplinary recommendations on managing, monitoring, providing outreach for, researching, and regulating wild rice.

(b) The governor must appoint council members who represent a wide range of interests and perspectives and include representatives of state government; tribal government; wild rice resource users; national pollutant discharge elimination system permittees; nongovernmental organizations; research scientists and wild rice managers with expertise in wild rice biology, ecology, and management; and impacted local governments and communities.

(c) The council must review and consider the recommendations of the governor's task force on wild rice regarding the council's work, including the recommendation to use a committee structure that includes council members and nonmembers with relevant subject matter expertise for technical work related to management plans, monitoring, and research.

Subd. 2. Council responsibilities. (a) The council must provide the governor, chief executives of Minnesota's 11 Indian tribes, and the legislature a biennial report on the health of wild rice and policy and funding recommendations to ensure that wild rice thrives in Minnesota.

(b) The council must recommend to the commissioners of natural resources and the Pollution Control Agency a shared monitoring protocol that includes biological, chemical, and hydrological factors affecting wild rice to assess the health of wild rice populations over time. The protocol must draw on existing resources such as the monitoring protocol for wild rice developed by Minnesota Sea Grant, the lake survey and vegetation mapping methodologies of the Department of Natural Resources, and the monitoring methodologies of the 1854 Treaty Authority. The council must include recommendations on implementing the protocol and must regularly prepare a report on protocol implementation.

(c) The council must recommend to the commissioner of natural resources a comprehensive, statewide management plan for wild rice. The plan must include clear goals and indicators, activities, time frames, organizational responsibilities, and performance measures. Indicators of wild rice health must have the ability to be tracked over time to facilitate a better understanding of the impact of various stressors versus the natural variability of wild rice. The council must work with tribes to develop an understanding of natural wild rice variability through traditional ecological knowledge and lake histories. Biological, chemical, and hydrological factors must be considered.

(d) The council must identify and recommend research priorities and required funding levels. Prioritization should be given to needs identified through the monitoring protocol and management plans recommended by the council. Topics of research may include:

- (1) assessment of diverse factors impacting wild rice health and interaction among these factors;
- (2) criteria and methodology for restoring wild rice within its historic range;
- (3) seed development;
- (4) impact of climate change;
- (5) effective methods of controlling waterfowl predation; and
- (6) roles of root plaques, hydrology, landscape context, and other related factors.

(e) The council must provide a forum for scientists and managers to convene and explore research needs, approaches, and outcomes for building a shared understanding of the threats to and opportunities for fostering wild rice health and to fill data gaps.

Subd. 3. **Outreach and education.** (a) The council must advise state agencies and the legislature on statewide outreach and education on wild rice. Activities may include:

(1) developing a statewide education and promotion campaign to raise awareness about the ecological, nutritional, and cultural value of wild rice;

(2) coordinating an annual Wild Rice Week in which tribal chief executives and the governor declare the first week of September Wild Rice Week; and

(3) recommending actions to raise awareness and increase enforcement of natural wild rice labeling laws, including those that require specified labeling for natural wild rice.

(b) The council must develop and recommend to the commissioner of the Pollution Control Agency a road map for protecting wild rice from harmful levels of pollutants and other stressors through a holistic approach that addresses the water quality standard for sulfate in conjunction with enhanced monitoring, management, and education efforts and that leads to protecting wild rice and strategically using state and community resources.

(c) The council must develop and recommend to the commissioner of the Pollution Control Agency a structured approach to listing wild-rice waters and potential implementation of a water quality standard for sulfate to maximize protection of wild rice while limiting the scope and extent of burdens to Minnesota communities caused by the difficulty of treating sulfate."

Correct the subdivision and section totals and the appropriations by fund

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Dibble questioned whether the Tomassoni amendment was in order. The President ruled the amendment was in order.

Senator Dibble appealed the decision of the President.

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

The roll was called, and there were yeas 37 and nays 30, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Miller	Senjem
Anderson	Duckworth	Jasinski	Nelson	Tomassoni
Bakk	Eichorn	Johnson	Newman	Utke
Benson	Eken	Kiffmeyer	Osmek	Weber
Chamberlain	Gazelka	Koran	Pratt	Westrom
Coleman	Goggin	Lang	Rarick	
Dahms	Housley	Limmer	Rosen	
Dornink	Howe	Mathews	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Duckworth, Eichorn, Ingebrigtsen, Newman, Osmek, and Pratt.

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

Those who voted in the negative were:

Bigham	Dziedzic	Hoffman	Latz	Port
Carlson	Eaton	Isaacson	Marty	Putnam
Champion	Fateh	Johnson Stewart	McEwen	Rest
Clausen	Franzen	Kent	Murphy	Torres Ray
Cwodzinski	Frentz	Klein	Newton	Wiger
Dibble	Hawj	Kunesh	Pappas	Wiklund

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Fateh, Isaacson, Kunesh, Latz, Newton, Pappas, Port, and Wiklund.

So the decision of the President was sustained.

The question was taken on the adoption of the Tomassoni amendment.

The roll was called, and there were yeas 58 and nays 8, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Duckworth, Eichorn, Ingebrigtsen, Johnson, Lang, Newman, Osmek, and Pratt.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Eken, Isaacson, Kunesh, Latz, Murphy, Newton, Port, and Wiklund.

Those who voted in the negative were:

Bakk	Johnson Stewart	Kiffmeyer	McEwen
Fateh	Kent	Marty	Utke

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

The motion prevailed. So the amendment was adopted.

Senator Westrom moved to amend S.F. No. 959 as follows:

Page 31, line 22, after the period, insert "Of this amount, \$1,000,000 the first year is to provide grants to rural landowners to replace failing septic systems that inadequately protect groundwater. Rural landowners, as defined in Minnesota Statutes, section 17.117, subdivision 4, with income below 300 percent of the federal poverty guidelines for the applicable family size, shall be eligible for a grant under this section. A grant awarded under this section shall not exceed the lesser of \$5,000 or 35 percent of the cost of replacing the failed or failing septic system. The issuance of a loan under Minnesota Statutes, section 17.117, for the purpose of replacing a failed septic system, shall not preclude a rural landowner from obtaining a grant under this section or vice versa."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 26, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Housley	Mathews	Senjem
Anderson	Draheim	Howe	Miller	Tomassoni
Bakk	Duckworth	Ingebrigtsen	Nelson	Utke
Benson	Eichorn	Jasinski	Newman	Weber
Bigham	Eken	Johnson	Pratt	Westrom
Chamberlain	Frentz	Kiffmeyer	Putnam	
Coleman	Gazelka	Koran	Rarick	
Cwodzinski	Goggin	Lang	Rosen	
Dahms	Hoffman	Limmer	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Draheim, Duckworth, Eichorn, Ingebrigtsen, Lang, Newman, and Pratt.

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

Those who voted in the negative were:

Carlson	Fateh	Klein	Newton	Wiger
Champion	Franzen	Kunesh	Osmek	Wiklund
Clausen	Hawj	Latz	Pappas	
Dibble	Isaacson	Marty	Port	
Dziedzic	Johnson Stewart	McEwen	Rest	
Eaton	Kent	Murphy	Torres Ray	

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Clausen, Eaton, Fateh, Isaacson, Kunesh, Latz, Murphy, Newton, Pappas, Port, and Wiklund.

The motion prevailed. So the amendment was adopted.

Senator Westrom moved to amend S.F. No. 959 as follows:

Page 163, after line 21, insert:

"Sec. 161. **DRAINAGE PILOT PROJECT; BOIS DE SIOUX WATERSHED DISTRICT.**

(a) Notwithstanding any conflicting requirements in Minnesota Statutes, chapter 103E, the Bois De Sioux watershed district may:

(1) update the drainage system benefits for the purpose of ordering a repair under Minnesota Statutes, section 103E.715, subdivision 4, paragraph (a), clause (2), using the most recent three-year average of the county assessor's assessed value of land that is benefited from the drainage system; and

(2) use the appraised value of property for the value of land needed for additional right-of-way under Minnesota Statutes, section 103E.715, subdivision 6.

(b) This section expires on June 30, 2026.

EFFECTIVE DATE. This section is effective the day after the board of managers of the Bois De Sioux watershed district and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

President Miller resumed the Chair.

S.F. No. 959 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 37 and nays 29, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Miller	Senjem
Anderson	Duckworth	Jasinski	Nelson	Tomassoni
Bakk	Eichorn	Johnson	Newman	Utke
Benson	Gazelka	Kiffmeyer	Osmek	Weber
Chamberlain	Goggin	Koran	Pratt	Westrom
Coleman	Hoffman	Lang	Rarick	
Dahms	Housley	Limmer	Rosen	
Dornink	Howe	Mathews	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Coleman, Draheim, Duckworth, Eichorn, Ingebrigtsen, Lang, Nelson, Newman, Osmek, Pratt, and Westrom.

Those who voted in the negative were:

Bigham	Dibble	Frentz	Klein	Murphy
Carlson	Dziedzic	Hawj	Kunesh	Newton
Champion	Eaton	Isaacson	Latz	Pappas
Clausen	Eken	Johnson Stewart	Marty	Port
Cwodzinski	Franzen	Kent	McEwen	Putnam

Rest

Torres Ray

Wiger

Wiklund

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Bigham, Carlson, Champion, Clausen, Eaton, Eken, Isaacson, Kunesh, Latz, Murphy, Newton, Pappas, Port, Putnam, and Wiklund.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 975: A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain student aid programs; creating a direct admissions pilot program; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 136A.101, subdivision 5a; 136A.121, subdivisions 2, 6, 9; 136A.125, subdivisions 2, 4; 136A.126, subdivisions 1, 4; 136A.1275; 136A.1791; 136A.246, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, by adding a subdivision; 136A.63, subdivision 2; 136A.645; 136A.653, subdivision 5; 136A.68; 136A.822, subdivision 12; 136A.8225; 136A.823, by adding a subdivision; 136A.827, subdivisions 4, 8; 136F.20, by adding a subdivision; 136F.245, subdivisions 1, 2, by adding a subdivision; 136F.305, subdivisions 2, 3, 4; 136F.38, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; 136F.245, subdivision 3; Laws 2014, chapter 312, article 1, section 4, subdivision 2; Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; 4830.9090.

Senate File No. 975 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 19, 2021

Senator Tomassoni moved that the Senate do not concur in the amendments by the House to S.F. No. 975, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Gazelka from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 975: Senators Tomassoni, Rarick, Goggin, Jasinski, and Clausen.

Senator Gazelka moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senator Lang was excused from the Session of today from 2:40 to 2:55 p.m. Senator Duckworth was excused from the Session of today from 2:40 to 3:50 p.m. Senator Fateh was excused from the Session of today from 5:30 to 5:45 p.m. and at 7:45 p.m. Senator Pappas was excused from the Session of today from 6:45 to 7:00 p.m.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 20, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

