

NINETY-SIXTH DAY

St. Paul, Minnesota, Tuesday, April 26, 2022

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

CALL OF THE SENATE

Senator Benson imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Amanda Lunemann.

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

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Clausen, Duckworth, Gazelka, Ingebrigtsen, Tomassoni, Torres Ray, and Westrom.

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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2677: A bill for an act relating to unemployment insurance; repaying unemployment insurance trust fund loans; replenishing the unemployment insurance trust fund; freezing the base tax rate for employers; eliminating the additional assessment for calendar years 2022 and 2023; establishing a zero percent special assessment rate for calendar year 2022; eliminating a revenue replacement transfer; appropriating money; repealing Laws 2021, First Special Session chapter 12, article 5, section 3.

Senate File No. 2677 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 25, 2022

Senator Pratt moved that the Senate do not concur in the amendments by the House to S.F. No. 2677, 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.

REPORTS OF COMMITTEES

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

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

H.F. No. 4366 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.
4366	4019				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 4366 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 4366, the third engrossment; and insert the language after the enacting clause of S.F. No. 4019, the second engrossment; further, delete the title of H.F. No. 4366, the third engrossment; and insert the title of S.F. No. 4019, the second engrossment.

And when so amended H.F. No. 4366 will be identical to S.F. No. 4019, and further recommends that H.F. No. 4366 be given its second reading and substituted for S.F. No. 4019, 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 HOUSE BILLS

H.F. No. 4366 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Howe introduced--

S.F. No. 4538: A bill for an act relating to taxation; sales and use; authorizing the city of Rockville to impose a local sales tax.

Referred to the Committee on Taxes.

Senator Howe introduced--

S.F. No. 4539: A bill for an act relating to taxation; sales and use; modifying the Waite Park local sales tax authorization; amending Laws 2021, First Special Session chapter 14, article 8, section 20, subdivisions 2, 3, 4.

Referred to the Committee on Taxes.

Senator Housley introduced--

S.F. No. 4540: A bill for an act relating to family law; modifying visitation rights to an unmarried minor child; amending Minnesota Statutes 2020, section 257C.08, by adding a subdivision; repealing Minnesota Statutes 2020, section 257C.08, subdivisions 3, 4.

Referred to the Committee on Civil Law and Data Practices Policy.

Senators Eichorn, Coleman, Tomassoni, Chamberlain, and Bakk introduced--

S.F. No. 4541: A bill for an act relating to taxation; property; limiting valuation increase on residential properties; modifying property tax rates; amending Minnesota Statutes 2020, sections 273.11, by adding a subdivision; 275.08, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Koran and Draheim introduced--

S.F. No. 4542: A bill for an act relating to economic development; requiring the commissioner of employment and economic development to prepare and submit an application for federal funds; appropriating money; amending Laws 2021, First Special Session chapter 10, article 1, section 7.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Eken introduced--

S.F. No. 4543: A bill for an act relating to taxation; sales and use; modifying the city of Moorhead local sales tax authorization; amending Laws 2021, First Special Session chapter 14, article 8, section 14, subdivision 4.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Kunesh moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 847. The motion prevailed.

Senator Torres Ray moved that the name of Senator Fateh be added as a co-author to S.F. No. 4320. The motion prevailed.

Senator Abeler moved that the names of Senators Hoffman and Utke be added as co-authors to S.F. No. 4410. The motion prevailed.

Senator Kunesh moved that the name of Senator Eaton be added as a co-author to S.F. No. 4492. The motion prevailed.

RECESS

Senator Miller 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 Miller 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. 2677: Senators Pratt, Rarick, Kiffmeyer, Kent, and Putnam.

Senator Miller moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

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

S.F. Nos. 4410 and 4091.

SPECIAL ORDER

S.F. No. 4410: A bill for an act relating to health and human services; modifying provisions governing community supports, continuing care for older adults, human services operations and licensing, health care, behavioral health, children and family services, health, health-related licensing boards, scope of practice, and background studies; establishing a Department of Behavioral Health; establishing certain grants; establishing interstate compacts for nurses, audiologists and speech language pathologists, and licensed professional counselors; modifying the expiration dates and repealing certain mandated reports; expanding and renaming the higher education facilities authority to include nonprofit health care organizations; making human services forecast adjustments; appropriating money; amending Minnesota Statutes 2020, sections 3.732, subdivision 1; 13.46, subdivision 7; 15A.0815, subdivision 2; 62J.692, subdivision 5; 62N.25, subdivision 5; 62Q.1055; 62Q.37, subdivision 7; 62Q.47; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32, subdivision 4; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.67, subdivision 1; 144.051, subdivision 6; 144.057, subdivision 1; 144.1222, subdivision 2d; 144.193; 144.294, subdivision 2; 144.4199, subdivision 8; 144.497; 144A.10, subdivision 17; 144A.351, subdivision 1; 144A.483, subdivision 1; 144A.75, subdivision 12; 144E.01, subdivisions 1, 4; 144G.45, subdivision 7; 145.4134; 145.4716, by adding a subdivision; 145.928, subdivision 13; 147.01, subdivision 7; 147.03, subdivisions 1, 2; 147.037; 147A.28; 147C.15, subdivision 3; 147C.40, subdivision 5; 148.212, subdivision 1; 148F.11, by adding a subdivision; 150A.10, subdivision 1a; 150A.105, subdivision 8; 151.01, subdivision 27; 151.065, subdivisions 1, 3, 7; 152.125; 169A.70, subdivisions 3, 4; 245.4661, subdivision 10; 245.4889, subdivision 3, by adding a subdivision; 245A.11, subdivisions 2, 2a, 7, 7a, by adding a subdivision; 245A.14, subdivision 14; 245A.19; 245C.02, subdivision 17a, by adding a subdivision; 245C.04, subdivisions 1, 4a, by adding subdivisions; 245C.10, by adding subdivisions; 245C.31, subdivisions 1, 2, by adding a subdivision; 245D.10, subdivision 3a; 245D.12; 245F.03; 245F.04, subdivision 1; 245G.01, by adding a subdivision; 245G.05, subdivision 2; 245G.06, subdivision 3, by adding a subdivision; 245G.12; 245G.22, subdivision 2; 252.275, subdivisions 4c, 8; 253B.18, subdivision 6; 254A.19, subdivisions 1, 3, by adding subdivisions; 254B.01, subdivision 5, by adding subdivisions; 254B.03, subdivisions 1, 5; 254B.04, subdivision 2a, by adding subdivisions; 256.01, subdivision 29, by adding a subdivision; 256.021, subdivision 3; 256.042, subdivision 5; 256.045, subdivision 3; 256.9657, subdivision 8; 256.975, subdivision 11; 256B.0561, subdivision 4; 256B.057, subdivision 9; 256B.0625, subdivision 17a, by adding a subdivision; 256B.0659, subdivisions 1, 12, 19, 24; 256B.0757, subdivisions 1, 2, 3, 4, 5, 8; 256B.0911, subdivision 5; 256B.0949, subdivisions 8, 17; 256B.49, subdivision 23; 256B.4911, subdivision 4, by adding a subdivision; 256B.4914, subdivisions 3, as amended, 4, as amended, 8, as amended, 9, as amended, 10, as amended, 10a, as amended, 12, as amended, 14, as amended; 256B.493, subdivisions 2, 4, 5, 6, by adding subdivisions; 256B.5012, by adding subdivisions; 256B.69, subdivision 9d; 256B.85, by adding a subdivision; 256D.09, subdivision 2a; 256E.28, subdivision 6; 256E.33, subdivisions 1, 2; 256E.35, subdivisions 1, 2, 4a,

6, 7; 256G.02, subdivision 6; 256I.04, subdivision 3; 256I.05, by adding a subdivision; 256K.26, subdivisions 2, 6, 7; 256K.45, subdivision 6, by adding subdivisions; 256L.12, subdivision 8; 256P.02, by adding a subdivision; 256P.03, subdivision 2; 256P.04, subdivision 11; 256Q.06, by adding a subdivision; 256R.02, subdivisions 16, 24, 26, 29, 34, by adding subdivisions; 256R.18; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25; 256S.16; 257.0725; 260.012; 260.775; 260B.157, subdivisions 1, 3; 260C.001, subdivision 3; 260C.007, subdivision 27; 260C.151, subdivision 6; 260C.152, subdivision 5; 260C.175, subdivision 2; 260C.176, subdivision 2; 260C.178, subdivision 1; 260C.181, subdivision 2; 260C.193, subdivision 3; 260C.201, subdivisions 1, 2; 260C.202; 260C.203; 260C.204; 260C.221; 260C.513; 260C.607, subdivisions 2, 5; 260C.613, subdivisions 1, 5; 260E.20, subdivision 1; 260E.22, subdivision 2; 260E.24, subdivisions 2, 6; 260E.38, subdivision 3; 268.19, subdivision 1; 297E.021, subdivision 3; 299A.299, subdivision 1; 354B.20, subdivision 7; 518A.77; 626.557, subdivision 12b; 626.5571, subdivision 1; Minnesota Statutes 2021 Supplement, sections 10A.01, subdivision 35; 15.01; 15.06, subdivision 1; 43A.08, subdivision 1a; 62A.673, subdivision 2; 144.551, subdivision 1; 148F.11, subdivision 1; 245.467, subdivisions 2, 3; 245.4871, subdivision 21; 245.4876, subdivisions 2, 3; 245.4889, subdivision 1; 245.735, subdivision 3; 245A.03, subdivision 7; 245C.03, subdivision 5a, by adding subdivisions; 245C.05, subdivision 5; 245I.02, subdivisions 19, 36; 245I.03, subdivision 9; 245I.04, subdivision 4; 245I.05, subdivision 3; 245I.08, subdivision 4; 245I.09, subdivision 2; 245I.10, subdivisions 2, 6; 245I.20, subdivision 5; 245I.23, subdivision 22; 254A.03, subdivision 3; 254A.19, subdivision 4; 254B.03, subdivision 2; 254B.04, subdivision 1; 254B.05, subdivisions 4, 5; 256.01, subdivision 42; 256.042, subdivision 4; 256B.0371, subdivision 4; 256B.0622, subdivision 2; 256B.0625, subdivisions 3b, 17; 256B.0659, subdivision 17a; 256B.0671, subdivision 6; 256B.0911, subdivisions 3a, 3f; 256B.0946, subdivision 1; 256B.0947, subdivisions 2, 6; 256B.0949, subdivisions 2, 13; 256B.49, subdivision 28; 256B.4914, subdivision 5, as amended; 256B.69, subdivision 9f; 256B.85, subdivisions 7, 7a; 256B.851, subdivision 5; 256L.03, subdivision 2; 256P.01, subdivision 6a; 256P.02, subdivisions 1a, 2; 256P.06, subdivision 3; 256S.205; 256S.2101; 260C.157, subdivision 3; 260C.212, subdivisions 1, 2; 260C.605, subdivision 1; 260C.607, subdivision 6; 260E.20, subdivision 2; 297E.02, subdivision 3; Laws 2009, chapter 79, article 13, section 3, subdivision 10, as amended; Laws 2014, chapter 312, article 27, section 75; Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended; Laws 2021, First Special Session chapter 7, article 2, section 74, by adding a subdivision; article 10, sections 1; 3; article 11, section 38; article 14, section 21, subdivision 4; article 16, sections 2, subdivisions 1, 24, 29, 31, 33; 5; article 17, sections 3; 6; 10; 11; 12; 14; 17, subdivision 3; 19; Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7; Laws 2022, chapter 33, section 1, subdivisions 5a, 5b, 5c, 5d, 5f, 10c; by adding a subdivision; Laws 2022, chapter 40, sections 6; 7; proposing coding for new law in Minnesota Statutes, chapters 103I; 145; 147A; 148; 148B; 151; 245A; 245D; 256; 256B; 626; proposing coding for new law as Minnesota Statutes, chapter 256T; repealing Minnesota Statutes 2020, sections 62U.10, subdivision 3; 136A.29, subdivision 4; 144.1911, subdivision 10; 144.564, subdivision 3; 144A.483, subdivision 2; 147.02, subdivision 2a; 169A.70, subdivision 6; 245.981; 245G.22, subdivision 19; 246.0136; 246.131; 246B.03, subdivision 2; 246B.035; 252.025, subdivision 7; 252.035; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2; 254A.21; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 256.01, subdivision 31; 256.975, subdivision 12; 256B.0638, subdivision 7; Minnesota Statutes 2021 Supplement, section 254A.19, subdivision 5; Laws 1998, chapter 382, article 1, section 23; Laws 2022, chapter 33, section 1, subdivision 9a.

Senator Abeler moved to amend S.F. No. 4410 as follows:

Page 15, after line 27, insert:

"Sec. 13. Minnesota Statutes 2020, section 256B.4911, subdivision 3, is amended to read:

Subd. 3. **Expansion and increase of budget exceptions.** (a) The commissioner of human services must provide up to 30 percent more funds for either:

(1) consumer-directed community supports participants under sections 256B.092 and 256B.49 who have a coordinated service and support plan which identifies the need for more services or supports under consumer-directed community supports than the amount the participants are currently receiving under the consumer-directed community supports budget methodology to:

(i) increase the amount of time a person works or otherwise improves employment opportunities;

(ii) plan a transition to, move to, or live in a setting described in section 256D.44, subdivision 5, paragraph (g), clause (1), item (iii); or

(iii) develop and implement a positive behavior support plan; or

(2) home and community-based waiver participants under sections 256B.092 and 256B.49 who are currently using licensed providers for: (i) employment supports or services during the day; or (ii) residential services, either of which cost more annually than the person would spend under a consumer-directed community supports plan for any or all of the supports needed to meet a goal identified in clause (1), item (i), (ii), or (iii). For people moving from a community residential setting to their own home, this exception is no longer available after June 30, 2023, or upon implementation of subdivision 4, paragraph (d), whichever is later.

(b) The exception under paragraph (a), clause (1), is limited to persons who can demonstrate that they will have to discontinue using consumer-directed community supports and accept other non-self-directed waiver services because their supports needed for a goal described in paragraph (a), clause (1), item (i), (ii), or (iii), cannot be met within the consumer-directed community supports budget limits.

(c) The exception under paragraph (a), clause (2), is limited to persons who can demonstrate that, upon choosing to become a consumer-directed community supports participant, the total cost of services, including the exception, will be less than the cost of current waiver services.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Page 16, line 21, delete "an individual" and insert "individuals"

Page 16, line 22, after "settings" insert "who are moving to their own home. This exception is available to people who move from a community residential setting on or after July 1, 2023"

Page 16, line 27, delete everything after "effective" and insert "January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 55, line 24, delete "increase" and insert "increases"

Page 56, line 1, delete "the following" and after "paragraphs" insert "(b) to (f)"

Page 56, lines 5 and 12, delete "added by amendment" and insert "amended"

Page 57, line 17, delete everything after "effective" and insert "January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 60, delete section 55 and insert:

"Sec. 56. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FINANCIAL MANAGEMENT SERVICES PROVIDERS.

The commissioner of human services shall accept on a rolling basis proposals submitted in response to "Request for Proposals for Qualified Grantees to Provide Vendor Fiscal/Employer Agent Financial Management Services," published on May 2, 2016. Responders must comply with all proposal instructions and requirements as set forth in the request for proposals except the submission deadlines. The commissioner shall evaluate all responsive proposals submitted under this section regardless of the date on which the proposal is submitted. The commissioner shall conduct phase I and phase II evaluations using the same procedures and evaluation standards set forth in the request for proposals. The commissioner shall contact responders who submit substantially complete proposals to provide further or missing information or to clarify the responder's proposal. The commissioner shall select all responders that successfully move on to phase III evaluation. For all proposals that move on to phase III evaluation, the commissioner shall not exercise the commissioner's right to reject any or all proposals. The commissioner shall not compare proposals that successfully move on to phase III evaluation. The commissioner shall not reject a proposal that successfully moved on to phase III evaluation after determining that another proposal is more advantageous to the state. This section expires upon publication of a new request for proposals related to financial management services providers.

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

Page 67, line 25, strike "at least annually in the manner"

Page 67, line 26, strike everything before the period and insert "by the same amount and at the same time as any adjustment to the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2"

Page 70, line 22, delete "PARTIAL"

Page 70, line 23, delete "YEAR"

Page 70, line 27, delete "Partial year implementation" and insert "Modified implementation of rate years 2022 and 2023"

Page 70, line 29, delete everything after the second comma

Page 70, line 30, delete everything before "a"

Page 71, line 1, delete "2022" and insert "2023"

Page 71, line 3, after the period, insert "On January 1, 2023, the commissioner shall adjust the rate floor amount as directed in Minnesota Statutes, section 256S.205, subdivision 5, paragraph (c)."

Page 71, line 4, delete "Beginning September 1, 2022, the timelines and dates described" and insert "The commissioner shall not administer an application between September 1, 2022, and September 30, 2022, as described in Minnesota Statutes, section 256S.205, subdivisions 2 to 4, for the purposes of rate year 2023."

Page 71, delete lines 5 and 6

Page 76, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 10, is amended to read:

Subd. 10. **Laboratory, x-ray, and opioid testing services.** (a) Medical assistance covers laboratory and x-ray services.

(b) Medical assistance covers screening and urinalysis tests for opioids without lifetime or annual limits.

(c) Medical assistance covers laboratory tests ordered and performed by a licensed pharmacist, according to the requirements of section 151.01, subdivision 27, clause (3), at no less than the rate for which the same services are covered when provided by any other licensed practitioner.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Page 80, line 10, delete "\$15.30" and insert "\$15.28"

Page 81, after line 32, insert:

"Sec. 6. Minnesota Statutes 2020, section 256B.0625, subdivision 39, is amended to read:

Subd. 39. **Childhood Immunizations.** (a) Providers who administer pediatric vaccines within the scope of their licensure, and who are enrolled as a medical assistance provider, must enroll in the pediatric vaccine administration program established by section 13631 of the Omnibus Budget Reconciliation Act of 1993. Medical assistance shall pay for administration of the vaccine to children eligible for medical assistance. Medical assistance does not pay for vaccines that are available at no cost from the pediatric vaccine administration program.

(b) Medical assistance covers vaccines initiated, ordered, or administered by a licensed pharmacist, according to the requirements of section 151.01, subdivision 27, clause (6), at no less than the rate for which the same services are covered when provided by any other licensed practitioner.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 104, line 11, delete "general assistance medical care,"

Page 127, line 10, after "in" insert "the city of"

Page 127, delete section 64

Page 128, delete section 65 and insert:

"Sec. 64. **REPEALER.**

(a) Minnesota Statutes 2020, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a and 2; 254B.04, subdivisions 2b and 2c; and 254B.041, subdivision 2, are repealed.

(b) Minnesota Statutes 2021 Supplement, section 254A.19, subdivision 5, is repealed.

(c) Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, and 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, and 6; 9530.7020, subparts 1, 1a, and 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; and 9530.7030, subpart 1, are repealed."

Page 139, delete lines 10 to 14

Page 139, line 15, delete "(n)" and insert "(m)"

Page 200, lines 25 and 26, delete the new language

Page 200, after line 34, insert:

"(c) Concurrently with a reassessment, a lead agency must at its expense provide each individual an opportunity to provide a confidential performance assessment of the person's case manager if the person is receiving case management services from an agency under a contract with the lead agency."

Page 218, after line 5, insert:

"Sec. 60. **REPEALER.**

(a) Minnesota Statutes 2020, sections 254A.04; and 254B.14, subdivisions 1, 2, 3, 4, and 6, are repealed.

(b) Minnesota Statutes 2021 Supplement, section 254B.14, subdivision 5, is repealed."

Page 277, lines 19 to 21, strike the old language

Page 288, line 27, delete "employs" and insert "is affiliated with"

Page 299, line 11, delete "employs" and insert "is affiliated with"

Page 300, line 10, strike "(a)"

Page 300, strike lines 19 to 21

Page 300, after line 23, insert:

"EFFECTIVE DATE. This section is effective February 1, 2023."

Page 300, delete line 30 and insert "name, aliases, date of birth, and license number; the date the license was issued; status of the"

Page 300, line 31, delete the comma and insert a semicolon

Page 301, line 1, delete "February 1, 2023" and insert "August 1, 2022"

Page 303, line 16, strike "(8)"

Page 303, line 24, before "three" insert "(8)"

Page 422, after line 1, insert:

"Sec. 21. Minnesota Statutes 2020, section 256.975, subdivision 12, is amended to read:

Subd. 12. **Self-directed caregiver grants.** The Minnesota Board on Aging shall, in consultation with area agencies on aging and other community caregiver stakeholders, administer self-directed caregiver grants to support at-risk family caregivers of older adults or others eligible under the Older Americans Act of 1965, United States Code, title 42, chapter 35, sections 3001 to 3058ff, to sustain family caregivers in the caregivers' roles so older adults can remain at home longer. ~~The board shall submit by January 15, 2022, and each January 15 thereafter, a progress report on the self directed caregiver grants program to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over human services. The progress report must include metrics on the use of the grant program.~~

Page 433, delete section 35 and insert:

"Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2020, sections 62U.10, subdivision 3; 144.1911, subdivision 10; 144.564, subdivision 3; 144A.483, subdivision 2; 245.981; 246.131; 246B.03, subdivision 2; 246B.035; 256.01, subdivision 31; and 256B.0638, subdivision 7, are repealed.

(b) Laws 1998, chapter 382, article 1, section 23, is repealed."

Page 453, line 19, after the period, insert "This paragraph does not expire."

Page 455, line 19, strike "(c)"

Page 455, line 27, before "Emergency" insert "(c)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Abeler moved to amend S.F. No. 4410 as follows:

Page 443, line 21, delete "161,533,000" and insert "161,848,000"

Page 443, line 24, delete "156,636,000" and insert "156,951,000"

Page 443, line 26, delete "1,433,000" and insert "1,986,000"

Page 443, after line 26, insert:

"(b) Duplicative Background Study Elimination. \$522,000 is to implement provisions to eliminate duplicative background studies. The general fund base for this appropriation is \$334,000 in fiscal year 2024, \$574,000 in fiscal year 2025, \$170,000 in fiscal year 2026, and \$170,000 in fiscal year 2027. This paragraph expires July 1, 2027."

Page 443, line 27, before "Base" insert "(b)"

Page 443, line 28, delete "\$338,000" and insert "\$853,000"

Page 443, line 29, delete "\$697,000" and insert "\$1,228,000"

Page 443, line 31, delete "25,000" and insert "80,000"

Page 443, after line 31, insert:

"Base Level Adjustment. The general fund base is increased by \$89,000 in fiscal year 2024 and increased by \$89,000 in fiscal year 2025."

Page 444, line 13, delete "232,000" and insert "442,000"

Page 444, delete line 14

Page 444, line 15, before "Life-Sharing" insert "(a)"

Page 444, after line 20, insert:

"(b) Base Level Adjustment. The general fund base is increased by \$119,000 in fiscal

year 2024 and increased by \$119,000 in fiscal year 2025."

Page 444, after line 24, insert:

"MFIP Earned Income Disregard TANF Allocation. In fiscal year 2023 the commissioner shall reduce general fund expenditures that are TANF eligible expenditures by \$2,216,000 and allocate \$2,216,000 of additional eligible general expenditures to the federal TANF fund.

In fiscal year 2024 the commissioner shall reduce general fund expenditures that are TANF eligible expenditures by \$2,942,000 and allocate \$2,942,000 of additional eligible general expenditures to the federal TANF fund. This paragraph expires on July 1, 2025.

In fiscal year 2025 the commissioner shall reduce general fund expenditures that are TANF eligible expenditures by \$2,945,000 and allocate \$2,945,000 of additional eligible general expenditures to the federal TANF fund. This paragraph expires on July 1, 2025."

Page 446, line 8, delete "6,669,000" and insert "6,166,000"

Page 446, line 9, delete "(a)"

Page 446, line 10, delete "\$6,669,000" and insert "\$6,166,000"

Page 446, delete lines 16 to 19

Page 449, line 13, delete "25,000" and insert "82,000"

Page 449, line 15, delete "\$25,000" and insert "\$82,000"

Page 449, delete line 19 and insert "The general fund base for this appropriation is \$57,000 in fiscal year 2024 and \$57,000 in fiscal year 2025."

The motion prevailed. So the amendment was adopted.

Senator Lang moved to amend S.F. No. 4410 as follows:

Page 304, after line 10, insert:

"Sec. 4. Minnesota Statutes 2020, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO ~~NONPROFIT~~ AMBULANCE SERVICES FOR VOLUNTEER EDUCATION COSTS.

Subdivision 1. **Repayment for volunteer education.** A licensed ambulance service shall be reimbursed by the board for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the board, pursuant to section 144E.285. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$600~~ \$900 for successful completion of an initial education course, and ~~\$275~~ \$375 for successful completion of a continuing education course.

Subd. 2. **Reimbursement provisions.** Reimbursement ~~will~~ must be paid under provisions of this section when documentation is provided the board that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Eaton moved to amend S.F. No. 4410 as follows:

Page 312, delete section 13

Page 330, delete section 14

Page 448, delete lines 31 to 34

Page 449, delete lines 1 to 3

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 32 and nays 35, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Westrom.

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

CALL OF THE SENATE

Senator Marty imposed a call of the Senate for the balance of the proceedings on S.F. No. 4410. The Sergeant at Arms was instructed to bring in the absent members.

Senator Fatch moved to amend S.F. No. 4410 as follows:

Page 180, after line 6, insert:

"Sec. 30. Minnesota Statutes 2020, section 254B.01, is amended by adding a subdivision to read:

Subd. 6a. **Minnesota Certification Board.** "Minnesota Certification Board" means the nonprofit agency member board of the International Certification and Reciprocity Consortium that sets the policies and procedures for alcohol and other drug professional certifications in Minnesota, including peer recovery specialists.

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

Sec. 31. Minnesota Statutes 2020, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and

treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5).

(d) A recovery community organization that meets ~~certification requirements identified by the commissioner~~ the definition in section 254B.01, subdivision 8, and one of the following certification requirements, is an eligible vendor of peer recovery support services under section 254B.05, subdivision 5, paragraph (b), clause (4):

(1) the recovery community organization is certified by the Minnesota Certification Board as defined in section 254B.01, subdivision 6a;

(2) the recovery community organization was certified as of July 1, 2022, by an organization previously authorized by the commissioner to certify recovery community organizations; or

(3) the recovery community organization is certified by an organization authorized by the commissioner, provided that organization does not require additional certification requirements beyond the recovery community organization meeting the definition under section 254B.01, subdivision 8.

(e) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

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 Fateh moved to amend S.F. No. 4410 as follows:

Page 15, after line 2, insert:

"Sec. 12. Minnesota Statutes 2020, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written coordinated service and support plan within the timelines established by the commissioner and section 256B.0911, subdivision 3a, paragraph (e). Prior to finalizing the portion of the written coordinated service and support plan that identifies the amount and frequency of customized living component services to be provided to the person, if any, the case manager must consider the recommendations of the provider or proposed provider;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

(iii) employment service providers;

(iv) providers of services provided in settings that are not community residential settings; and

(v) providers of financial management services;

(4) assisting the recipient to access services and assisting with appeals under section 256.045; and

(5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

(1) finalizing the person-centered coordinated service and support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered coordinated service and support plan; and

(3) adjustments to the person-centered coordinated service and support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's coordinated service and support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 1a, paragraph (e).

(d) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted

by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(e) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ten hours of case management education and disability-related training each year. The education and training must include person-centered planning and the commissioner's standards and documentation requirements for determining the amount and frequency of customized living component services to be provided to a person. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 1a, paragraph (f).

Sec. 13. Minnesota Statutes 2020, section 256B.49, subdivision 15, is amended to read:

Subd. 15. Coordinated service and support plan; comprehensive transitional service plan; maintenance service plan. (a) Each recipient of home and community-based waived services shall be provided a copy of the written coordinated service and support plan which meets the requirements in section 256B.092, subdivision 1b. If the written coordinated service and support plan departs from the recommendations of the provider or proposed provider regarding the amount and frequency of customized living component services to be provided to the person, the case manager must include in the written coordinated service and support plan a written policy or clinical justification for the departure from the recommendations. If a person believes that the amount and frequency of customized living component services identified in the written coordinated service and support plan are not based on the person's assessed needs, preferences, and available resources, the person may appeal under section 256.045, subdivision 3, paragraph (a), clause (6), the amount and frequency of customized living component services to be provided to the person.

(b) In developing the comprehensive transitional service plan, the individual receiving services, the case manager, and the guardian, if applicable, will identify the transitional service plan fundamental service outcome and anticipated timeline to achieve this outcome. Within the first 20 days following a recipient's request for an assessment or reassessment, the transitional service planning team must be identified. A team leader must be identified who will be responsible for assigning responsibility and communicating with team members to ensure implementation of the transition plan and ongoing assessment and communication process. The team leader should be an individual, such as the case manager or guardian, who has the opportunity to follow the recipient to the next level of service.

Within ten days following an assessment, a comprehensive transitional service plan must be developed incorporating elements of a comprehensive functional assessment and including short-term

measurable outcomes and timelines for achievement of and reporting on these outcomes. Functional milestones must also be identified and reported according to the timelines agreed upon by the transitional service planning team. In addition, the comprehensive transitional service plan must identify additional supports that may assist in the achievement of the fundamental service outcome such as the development of greater natural community support, increased collaboration among agencies, and technological supports.

The timelines for reporting on functional milestones will prompt a reassessment of services provided, the units of services, rates, and appropriate service providers. It is the responsibility of the transitional service planning team leader to review functional milestone reporting to determine if the milestones are consistent with observable skills and that milestone achievement prompts any needed changes to the comprehensive transitional service plan.

For those whose fundamental transitional service outcome involves the need to procure housing, a plan for the recipient to seek the resources necessary to secure the least restrictive housing possible should be incorporated into the plan, including employment and public supports such as housing access and shelter needy funding.

(c) Counties and other agencies responsible for funding community placement and ongoing community supportive services are responsible for the implementation of the comprehensive transitional service plans. Oversight responsibilities include both ensuring effective transitional service delivery and efficient utilization of funding resources.

(d) Following one year of transitional services, the transitional services planning team will make a determination as to whether or not the individual receiving services requires the current level of continuous and consistent support in order to maintain the recipient's current level of functioning. Recipients who are determined to have not had a significant change in functioning for 12 months must move from a transitional to a maintenance service plan. Recipients on a maintenance service plan must be reassessed to determine if the recipient would benefit from a transitional service plan at least every 12 months and at other times when there has been a significant change in the recipient's functioning. This assessment should consider any changes to technological or natural community supports.

(e) When a county is evaluating denials, reductions, or terminations of home and community-based services under this section for an individual, the case manager shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the coordinated service and support plan, comprehensive transitional service plan, or maintenance service plan. The reduction in the authorized services for an individual due to changes in funding for waived services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare."

Page 212, delete section 49 and insert:

"Sec. 49. Minnesota Statutes 2021 Supplement, section 256B.49, subdivision 28, is amended to read:

Subd. 28. **Customized living moratorium for brain injury and community access for disability inclusion waivers.** (a) Notwithstanding section 245A.03, subdivision 2, paragraph (a), clause (23), to prevent new development of customized living settings that otherwise meet the

residential program definition under section 245A.02, subdivision 14, the commissioner shall not enroll new customized living settings serving four or fewer people in a single-family home to deliver customized living services as defined under the brain injury or community access for disability inclusion waiver plans under this section.

(b) The commissioner may approve an exception to paragraph (a) when:

(1) an existing customized living setting changes ownership at the same address; or

(2) an existing customized living setting relocates under the same ownership to a different address, provided the setting to which the customized services are relocated complies with the home and community-based services rule requirements. The exception under this clause is available until March 16, 2023, unless federal approval is obtained to permanently allow this exception.

(c) Customized living settings operational on or before June 30, 2021, are considered existing customized living settings.

(d) For any new customized living settings serving four or fewer people in a single-family home to deliver customized living services as defined in paragraph (a) ~~and~~ that was not operational on or before June 30, 2021, or that was operational on or before June 30, 2021, but relocated under the same ownership to a different address without receiving an exception under paragraph (b), clause (2), the authorizing lead agency is financially responsible for all home and community-based service payments in the setting.

(e) For purposes of this subdivision, "operational" means customized living services are authorized and delivered to a person in the customized living setting.

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

Page 217, after line 33, insert:

"Sec. 59. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; HOME AND COMMUNITY-BASED SERVICES RULE STATEWIDE TRANSITION PLAN.**

By September 1, 2022, the commissioner of human services shall submit for approval an amendment to Minnesota's home and community-based services rule statewide transition plan to modify the residential tiered standards for BI, CAC, CADI, and DD waivers to specify that an existing customized living setting that relocates under the same ownership to a different address must be treated as a Tier 1 customized living setting, provided the setting to which the customized services are relocated complies with the home and community-based services rule requirements. The commissioner shall inform the revisor of statutes when federal approval is obtained.

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

Page 295, after line 20, insert:

"Sec. 9. **[144G.195] CHANGE IN LOCATION; NEW LICENSE NOT REQUIRED.**

Subdivision 1. **Move to new location.** (a) An assisted living facility with a licensed resident capacity of six residents or fewer may operate under the facility's current license if the facility moves

to a new location no more than once during the period the current license is valid. A facility governed by this paragraph is not required to apply for a new license solely because of the move to a new location, and the facility's current license remains valid until the expiration date specified on the license.

(b) A facility that moves to a new location more than once during the period the current license is valid must apply for a new license prior to providing assisted living services at the second new location.

Subd. 2. **Survey.** The commissioner shall conduct a survey of an assisted living facility governed by subdivision 1, paragraph (a), within six months after the licensee begins providing assisted living services at the new location.

Subd. 3. **Notice.** A licensee must notify the commissioner in writing of the facility's new address at least 60 calendar days before the licensee begins providing assisted living services at the new location.

Sec. 10. Minnesota Statutes 2021 Supplement, section 144G.45, subdivision 4, is amended to read:

Subd. 4. Design requirements. (a) All assisted living facilities with six or more residents must meet the provisions relevant to assisted living facilities in the 2018 edition of the Facility Guidelines Institute "Guidelines for Design and Construction of Residential Health, Care and Support Facilities" and of adopted rules. This minimum design standard must be met for all new licenses with a licensed resident capacity of six or more, or new construction. In addition to the guidelines, assisted living facilities shall provide the option of a bath in addition to a shower for all residents.

(b) If the commissioner decides to update the edition of the guidelines specified in paragraph (a) for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health care and public safety of the planned update by January 15 of the year in which the new edition will become effective. Following notice from the commissioner, the new edition shall become effective for assisted living facilities beginning August 1 of that year, unless provided otherwise in law. The commissioner shall, by publication in the State Register, specify a date by which facilities must comply with the updated edition. The date by which facilities must comply shall not be sooner than six months after publication of the commissioner's notice in the State Register.

Sec. 11. Minnesota Statutes 2021 Supplement, section 144G.45, subdivision 5, is amended to read:

Subd. 5. Assisted living facilities; Life Safety Code. (a) All assisted living facilities with six or more residents must meet the applicable provisions of the 2018 edition of the NFPA Standard 101, Life Safety Code, Residential Board and Care Occupancies chapter. The minimum design standard shall be met for all new licenses with a licensed resident capacity of six or more, or new construction.

(b) If the commissioner decides to update the Life Safety Code for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health care and public safety of the planned update by January

15 of the year in which the new Life Safety Code will become effective. Following notice from the commissioner, the new edition shall become effective for assisted living facilities beginning August 1 of that year, unless provided otherwise in law. The commissioner shall, by publication in the State Register, specify a date by which facilities must comply with the updated Life Safety Code. The date by which facilities must comply shall not be sooner than six months after publication of the commissioner's notice in the State Register.

Sec. 12. Minnesota Statutes 2020, section 144G.45, subdivision 6, is amended to read:

Subd. 6. **New construction; plans.** (a) For all new licensure for a facility with a proposed licensed resident capacity of six or more and all new construction beginning on or after August 1, 2021, the following must be provided to the commissioner:

(1) architectural and engineering plans and specifications for new construction must be prepared and signed by architects and engineers who are registered in Minnesota. Final working drawings and specifications for proposed construction must be submitted to the commissioner for review and approval;

(2) final architectural plans and specifications must include elevations and sections through the building showing types of construction, and must indicate dimensions and assignments of rooms and areas, room finishes, door types and hardware, elevations and details of nurses' work areas, utility rooms, toilet and bathing areas, and large-scale layouts of dietary and laundry areas. Plans must show the location of fixed equipment and sections and details of elevators, chutes, and other conveying systems. Fire walls and smoke partitions must be indicated. The roof plan must show all mechanical installations. The site plan must indicate the proposed and existing buildings, topography, roadways, walks and utility service lines; and

(3) final mechanical and electrical plans and specifications must address the complete layout and type of all installations, systems, and equipment to be provided. Heating plans must include heating elements, piping, thermostatic controls, pumps, tanks, heat exchangers, boilers, breeching, and accessories. Ventilation plans must include room air quantities, ducts, fire and smoke dampers, exhaust fans, humidifiers, and air handling units. Plumbing plans must include the fixtures and equipment fixture schedule; water supply and circulating piping, pumps, tanks, riser diagrams, and building drains; the size, location, and elevation of water and sewer services; and the building fire protection systems. Electrical plans must include fixtures and equipment, receptacles, switches, power outlets, circuits, power and light panels, transformers, and service feeders. Plans must show location of nurse call signals, cable lines, fire alarm stations, and fire detectors and emergency lighting.

(b) Unless construction is begun within one year after approval of the final working drawing and specifications, the drawings must be resubmitted for review and approval.

(c) The commissioner must be notified within 30 days before completion of construction so that the commissioner can make arrangements for a final inspection by the commissioner.

(d) At least one set of complete life safety plans, including changes resulting from remodeling or alterations, must be kept on file in the facility."

Page 297, after line 5, insert:

"Sec. 14. Minnesota Statutes 2021 Supplement, section 144G.81, subdivision 3, is amended to read:

Subd. 3. **Assisted living facilities with dementia care and secured dementia care unit; Life Safety Code.** (a) All assisted living facilities with dementia care and a secured dementia care unit must meet the applicable provisions of the 2018 edition of the NFPA Standard 101, Life Safety Code, Healthcare (limited care) chapter. The minimum design standards shall be met for all new licenses with a licensed resident capacity of six or more, or new construction.

(b) If the commissioner decides to update the Life Safety Code for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health care and public safety of the planned update by January 15 of the year in which the new Life Safety Code will become effective. Following notice from the commissioner, the new edition shall become effective for assisted living facilities with dementia care and a secured dementia care unit beginning August 1 of that year, unless provided otherwise in law. The commissioner shall, by publication in the State Register, specify a date by which these facilities must comply with the updated Life Safety Code. The date by which these facilities must comply shall not be sooner than six months after publication of the commissioner's notice in the State Register."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Hoffman moved to amend S.F. No. 4410 as follows:

Page 222, before line 7, insert:

"Section 1. Minnesota Statutes 2020, section 242.19, subdivision 2, is amended to read:

Subd. 2. **Dispositions.** When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation:

(1) order the child's confinement to the Minnesota Correctional Facility-Red Wing, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children;

(2) order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation;

(3) order reconfinement or renewed parole as often as the commissioner believes to be desirable;

(4) revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable;

(5) discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public;

(6) if the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a local social services agency or a licensed child-placing agency for placement in a foster care or, when appropriate, for initiation of child in need of protection or services proceedings as provided in sections 260C.001 to 260C.421. The commissioner of corrections shall reimburse local social services agencies for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court ~~shall~~ may order the parents of a child on probation or parole to pay the costs of foster care under section 260B.331, subdivision 1, if the local social services agency has determined that requiring reimbursement is in the child's best interests, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the local social services agency."

Page 234, after line 28, insert:

"Sec. 18. Minnesota Statutes 2020, section 260B.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a)(1) Whenever legal custody of a child is transferred by the court to a local social services agency, or

(2) whenever legal custody is transferred to a person other than the local social services agency, but under the supervision of the local social services agency, and

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court ~~shall~~ may order, and the local social services agency ~~shall~~ may require, the parents or custodian of a child, while the child is under the age of 18, to use ~~the total~~ income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court ~~shall~~ may order, and the local social services agency ~~shall~~ may require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. The local social services agency shall determine whether requiring reimbursement, either through child support or parental fees, for the cost of care, examination, or treatment from income and resources attributable to the child is in the child's best interests. In determining whether to require reimbursement, the local social services agency shall consider:

(1) whether requiring reimbursement would compromise a parent's ability to meet the child's treatment and rehabilitation needs before the child returns to the parent's home;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after the child returns home; and

(3) whether redirecting existing child support payments or changing the representative payee of social security benefits to the local social services agency would limit the parent's ability to maintain financial stability for the child upon the child's return home.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court ~~shall~~ may inquire into the ability of the parents to ~~support the child~~ reimburse the county for the cost of care, examination, or treatment and, after giving the parents a reasonable opportunity to be heard, the court ~~shall~~ may order, and the local social services agency ~~shall~~ may require, the parents to contribute to the cost of care, examination, or treatment of the child. ~~Except in delinquency cases where the victim is a member of the child's immediate family,~~ When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the local social services agency and approved by the commissioner of human services. ~~In delinquency cases where the victim is a member of the child's immediate family,~~ The court shall ~~use the fee schedule but may also take into account the seriousness of the offense and any expenses which the parents have incurred as a result of the offense~~ any expenses that the parents may have incurred as a result of the offense, including but not limited to co-payments for mental health treatment and attorney's fees. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section. The local social services agency shall determine whether requiring reimbursement from the parents, either through child support or parental fees, for the cost of care, examination, or treatment from income and resources attributable to the child is in the child's best interests. In determining whether to require reimbursement, the local social services agency shall consider:

(1) whether requiring reimbursement would compromise a parent's ability to meet the child's treatment and rehabilitation needs before the child returns to the parent's home;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after the child returns home; and

(3) whether requiring reimbursement would compromise the parent's ability to meet the needs of the family.

(d) If the local social services agency determines that requiring reimbursement is in the child's best interests, the court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider

restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services."

Page 269, after line 4, insert:

"Sec. 36. Minnesota Statutes 2020, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency,

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency, or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court ~~shall~~ may order, and the responsible social services agency ~~shall~~ may require, the parents or custodian of a child, while the child is under the age of 18, to use ~~the total~~ income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court ~~shall~~ may order, and the responsible social services agency ~~shall~~ may require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over the age of 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (12), to transition from foster care, or the income and resources ~~from sources other than Supplemental Security Income and child support~~ that are needed to complete the requirements listed in section 260C.203. The responsible social services agency shall determine whether requiring reimbursement, either through child support or parental fees, for the cost of care, examination, or treatment from the parents or custodian of a child is in the child's best interests. In determining whether to require reimbursement, the responsible social services agency shall consider:

(1) whether requiring reimbursement would compromise the parent's ability to meet the requirements of the reunification plan;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after reunification; and

(3) whether redirecting existing child support payments or changing the representative payee of social security benefits to the responsible social services agency would limit the parent's ability to maintain financial stability for the child.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court ~~shall~~ may inquire into the ability of the parents to ~~support the child~~ reimburse the county for the cost of care, examination, or treatment and, after giving the parents a reasonable opportunity to be heard, the court ~~shall~~ may order, and the responsible social services agency ~~shall~~ may require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of human services. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section. In determining whether to require reimbursement, the responsible social services agency shall consider:

(1) whether requiring reimbursement would compromise the parent's ability to meet the requirements of the reunification plan;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after reunification; and

(3) whether requiring reimbursement would compromise the parent's ability to meet the needs of the family.

(d) If the responsible social services agency determines that reimbursement is in the child's best interest, the court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

(f) Notwithstanding paragraph (b), (c), or (d), a parent, custodian, or guardian of the child is not required to use income and resources attributable to the child to reimburse the county for costs of care and is not required to contribute to the cost of care of the child during any period of time when the child is returned to the home of that parent, custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision 1, paragraph (a)."

Page 279, after line 29, insert:

"Sec. 48. Minnesota Statutes 2020, section 518A.43, subdivision 1, is amended to read:

Subdivision 1. **General factors.** Among other reasons, deviation from the presumptive child support obligation computed under section 518A.34 is intended to encourage prompt and regular payments of child support and to prevent either parent or the joint children from living in poverty.

In addition to the child support guidelines and other factors used to calculate the child support obligation under section 518A.34, the court must take into consideration the following factors in setting or modifying child support or in determining whether to deviate upward or downward from the presumptive child support obligation:

(1) all earnings, income, circumstances, and resources of each parent, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of section 518A.29, paragraph (b);

(2) the extraordinary financial needs and resources, physical and emotional condition, and educational needs of the child to be supported;

(3) the standard of living the child would enjoy if the parents were currently living together, but recognizing that the parents now have separate households;

(4) whether the child resides in a foreign country for more than one year that has a substantially higher or lower cost of living than this country;

(5) which parent receives the income taxation dependency exemption and the financial benefit the parent receives from it;

(6) the parents' debts as provided in subdivision 2; ~~and~~

(7) the obligor's total payments for court-ordered child support exceed the limitations set forth in section 571.922; and

(8) in cases involving court-ordered out-of-home placement, whether ordering and redirecting a child support obligation to reimburse the county for the cost of care, examination, or treatment would compromise the parent's ability to meet the requirements of a reunification plan or the parent's ability to meet the child's needs after reunification."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Hoffman moved to amend S.F. No. 4410 as follows:

Page 227, after line 2, insert:

"Sec. 11. Minnesota Statutes 2020, section 256N.26, subdivision 12, is amended to read:

Subd. 12. Treatment of Supplemental Security Income. If a child placed in foster care receives benefits through Supplemental Security Income (SSI) at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may apply to be the payee for the child for the duration of the child's placement in foster care. The child must be provided notice if the financially responsible agency applies to be the payee for the child. If a child continues to be eligible for SSI after finalization of the adoption or transfer of permanent legal and physical custody and is determined to be eligible for a payment under Northstar Care for Children, a permanent

caregiver may choose to receive payment from both programs simultaneously. The child must be provided notice if a permanent caregiver applies to receive payment for the child and when the permanent caregiver is confirmed to receive the child's SSI. The permanent caregiver is responsible to report the amount of the payment to the Social Security Administration and the SSI payment will be reduced as required by the Social Security Administration."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kunesh moved to amend S.F. No. 4410 as follows:

Page 279, after line 29, insert:

"Sec. 45. Minnesota Statutes 2020, section 477A.0126, is amended by adding a subdivision to read:

Subd. 3a. **Transfer of withheld aid amounts.** (a) For aid payable in 2023 and later, the commissioner must transfer the total amount of the aid reductions under subdivision 3, paragraph (d), for that year to the Board of Regents of the University of Minnesota for the Tribal and Training Certification Partnership in the College of Education and Human Service Professions at the University of Minnesota, Duluth.

(b) In order to support consistent training and county compliance with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, the Tribal Training and Certification Partnership must use funds transferred under this subdivision to (1) enhance training on the Indian Child Welfare Act and Minnesota Indian Family Preservation Act for county workers and state guardians ad litem, and (2) build indigenous child welfare training for the Tribal child welfare workforce.

EFFECTIVE DATE. This section is effective for aid payable in 2023 and later.

Sec. 46. Minnesota Statutes 2020, section 477A.0126, subdivision 7, is amended to read:

Subd. 7. **Appropriation.** (a) \$5,000,000 is annually appropriated to the commissioner of revenue from the general fund to pay aid and make transfers required under this section.

(b) \$390,000 is appropriated annually from the general fund to the commissioner of human services to implement subdivision 6.

EFFECTIVE DATE. This section is effective for aid payable in 2023 and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Eaton moved to amend S.F. No. 4410 as follows:

Page 93, after line 25, insert:

"Sec. 12. Minnesota Statutes 2020, section 245G.07, subdivision 1, is amended to read:

Subdivision 1. **Treatment service.** (a) A licensed residential treatment program must offer the treatment services in clauses (1) to (5) to each client, unless clinically inappropriate and the justifying clinical rationale is documented. A nonresidential treatment program must offer all treatment services in clauses (1) to (5) and document in the individual treatment plan the specific services for which a client has an assessed need and the plan to provide the services:

(1) individual and group counseling to help the client identify and address needs related to substance use and develop strategies to avoid harmful substance use after discharge and to help the client obtain the services necessary to establish a lifestyle free of the harmful effects of substance use disorder;

(2) client education strategies to avoid inappropriate substance use and health problems related to substance use and the necessary lifestyle changes to regain and maintain health. Client education must include information on tuberculosis education on a form approved by the commissioner, the human immunodeficiency virus according to section 245A.19, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis. Client education must also include education on naloxone by a formalized training program or onsite registered nurse, and must include the process for the administration of naloxone, overdose awareness, and locations where naloxone can be obtained;

(3) a service to help the client integrate gains made during treatment into daily living and to reduce the client's reliance on a staff member for support;

(4) a service to address issues related to co-occurring disorders, including client education on symptoms of mental illness, the possibility of comorbidity, and the need for continued medication compliance while recovering from substance use disorder. A group must address co-occurring disorders, as needed. When treatment for mental health problems is indicated, the treatment must be integrated into the client's individual treatment plan; and

(5) treatment coordination provided one-to-one by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

(i) assistance in coordination with significant others to help in the treatment planning process whenever possible;

(ii) assistance in coordination with and follow up for medical services as identified in the treatment plan;

(iii) facilitation of referrals to substance use disorder services as indicated by a client's medical provider, comprehensive assessment, or treatment plan;

(iv) facilitation of referrals to mental health services as identified by a client's comprehensive assessment or treatment plan;

(v) assistance with referrals to economic assistance, social services, housing resources, and prenatal care according to the client's needs;

(vi) life skills advocacy and support accessing treatment follow-up, disease management, and education services, including referral and linkages to long-term services and supports as needed; and

(vii) documentation of the provision of treatment coordination services in the client's file.

(b) A treatment service provided to a client must be provided according to the individual treatment plan and must consider cultural differences and special needs of a client.

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

Sec. 13. Minnesota Statutes 2020, section 245G.08, subdivision 3, is amended to read:

Subd. 3. **Standing order protocol.** A license holder ~~that maintains~~ must maintain a proper supply of naloxone available for emergency treatment of opioid overdose on site in a conspicuous location and must have a written standing order protocol by a physician who is licensed under chapter 147 or advanced practice registered nurse who is licensed under chapter 148, that permits the license holder to maintain a supply of naloxone on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both.

Sec. 14. Minnesota Statutes 2020, section 245G.21, is amended by adding a subdivision to read:

Subd. 9. **Denial of medication.** A license holder cannot deny medications and pharmacotherapies to a client if such medications and pharmacotherapies are prescribed by a licensed physician.

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

Page 95, after line 33, insert:

"Sec. 17. **[254A.087] SOBER HOUSES.**

Subdivision 1. **Definition.** "Sober house" means a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that:

(1) provides temporary housing to persons with alcohol or other drug dependency or abuse problems in exchange for compensation;

(2) stipulates that residents must abstain from using alcohol or drugs not prescribed by a licensed physician, and meet other requirements as a condition of living in the residence;

(3) does not provide direct counseling or treatment services to the residents;

(4) does not deny medications and/or pharmacotherapies as prescribed by a licensed physician;

(5) provides lockboxes, controlled medication count, and urinalysis testing; and

(6) properly maintains a supply of naloxone on site in a conspicuous location.

Subd. 2. **Provision of counseling services.** Persons with alcohol or drug dependency or abuse problems residing in sober houses shall be:

(1) provided with naloxone training and education by a formalized training program or trained house manager. The training must include the process for administration of naloxone and a supply of naloxone must be kept on site in a conspicuous location; and

(2) provided with counseling and related services by alcohol and drug counselors licensed under chapter 148C, or referred by the sober house to counseling and related services provided by alcohol and drug counselors licensed under chapter 148C.

Subd. 3. **Notice; alternative living arrangements; referral for counseling.** Persons with alcohol or drug dependency or abuse problems receiving residential services shall be:

(1) provided with 48 hours written notice prior to discharge or termination of services, stating the reason for discharge and proposed alternative living arrangements as recommended by an assessment under Minnesota Rules, parts 9530.6600 to 9530.6660. Weekends and legal holidays are excluded when calculating the 48 hours' notice;

(2) provided alternative living arrangements to meet their needs as recommended by an assessment under Minnesota Rules, parts 9530.6600 to 9530.6660, if discharge from the program must occur prior to the expiration of 48 hours is deemed necessary by the facility;

(3) provided with information in writing who to contact to appeal the proposed discharge;

(4) informed of their right to request that designated individuals receive immediate notice of the proposed discharge by telephone, fax, or other means of communication. Weekends and legal holidays are excluded when calculating the 48 hours' notice; and

(5) referred to emergency services, detoxification services, or crisis facilities if relapse is the reason for discharge. The referral must be provided in a written form or by telephone, fax, or other means of communication.

Subd. 4. **Services by licensed providers.** (a) Residential or outpatient facilities licensed under chapter 245A shall only refer persons with alcohol or drug dependency or abuse problems, or their family members or others affected by the person's dependency or abuse, to persons licensed under chapter 148C or to facilities licensed under chapter 245A.

(b) If a referring facility has an economic interest in the referral, this interest shall be disclosed in writing and two alternative referrals shall be provided. A release of information for both parties must be presented to the person with alcohol or drug dependency or abuse or their family members or others affected by the person's dependency or abuse.

(c) Organizations and groups that do not receive compensation for their services, such as 12-step programs, are excluded from the requirements of this subdivision.

Subd. 5. **Resident property upon service termination.** Upon the service termination of a resident, a sober house must:

(1) return all property that belonged to a resident upon that resident's service termination regardless of that resident's service termination status;

(2) retain the resident's property for a minimum of seven days after the resident's service termination, if the resident did not claim the resident's property upon service termination; and

(3) retain the resident's property for a minimum of 30 days after the resident's service termination, if the resident did not claim the resident's property upon service termination and received room and board, emergency services, crisis services, detoxification services, or facility transfer.

Subd. 6. **Sober house management.** A sober house must:

(1) have written procedures for scheduled drug monitoring;

(2) have written procedures for counting and documenting a resident's controlled medications, including a standardized data collection tool for collecting, documenting, and filing daily controlled medications counts that includes the date, time, and the signature of the staff member taking the daily count of scheduled medications;

(3) have a statement that no medication supply for one resident shall be provided to another resident; and

(4) file and store controlled medications counts for a minimum of two years.

EFFECTIVE DATE. This section is effective May 1, 2023."

Page 126, after line 11, insert:

"Sec. 61. Minnesota Statutes 2020, section 504B.001, subdivision 7, is amended to read:

Subd. 7. **Landlord.** "Landlord" means an owner of real property, a contract for deed vendee, receiver, executor, trustee, lessee, agent, or other person directly or indirectly in control of rental property or sober house, as defined in section 254A.087.

Sec. 62. **[504B.392] WAIVER OF TENANT RIGHTS; REMEDIES.**

Subdivision 1. **Waiver prohibited.** It shall be unlawful for any landlord or owner to include in a lease, contract, or policy, a provision that requires a tenant to waive or modify any rights or remedies provided by state or federal law or local ordinance, including but not limited to security deposits, accommodations, and medication or pharmacotherapies as prescribed by a licensed physician. An attempted waiver or modification by a landlord and tenant, by contract or otherwise, is contrary to public policy and shall be void and unenforceable.

Subd. 2. **Attorney general; authority.** The attorney general has authority under section 8.31 to investigate and prosecute violations of this section.

EFFECTIVE DATE. This section is effective May 1, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Benson moved to amend the second Eaton amendment to S.F. No. 4410 as follows:

Page 5, delete lines 7 to 22

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the second Eaton amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Eaton moved to amend S.F. No. 4410 as follows:

Page 298, after line 3, insert:

"Sec. 12. Minnesota Statutes 2020, section 149A.02, subdivision 1a, is amended to read:

Subd. 1a. **Alkaline hydrolysis.** "Alkaline hydrolysis" means the reduction of a dead human body to essential elements through a water-based dissolution process using alkaline chemicals, heat, agitation, and pressure to accelerate natural decomposition; the processing of the hydrolyzed remains after removal from the alkaline hydrolysis vessel; placement of the processed remains in a hydrolyzed remains container; and release of the hydrolyzed remains to an appropriate party. Alkaline hydrolysis is a form of final disposition. Alkaline hydrolysis does not include natural organic reduction or to naturally reduce human remains.

Sec. 13. Minnesota Statutes 2020, section 149A.02, subdivision 3, is amended to read:

Subd. 3. **Arrangements for disposition.** "Arrangements for disposition" means any action normally taken by a funeral provider in anticipation of or preparation for the entombment, burial in a cemetery, alkaline hydrolysis, natural organic reduction, or cremation of a dead human body.

Sec. 14. Minnesota Statutes 2020, section 149A.02, subdivision 9, is amended to read:

Subd. 9. **Cremation.** "Cremation" means the reduction of a dead human body to essential elements through direct exposure to intense heat and flame and the repositioning or movement of the body during the process to facilitate reduction, the processing of the remains after removal from the cremation chamber, placement of the processed remains in a cremated remains container, and release of the cremated remains to an appropriate party. Cremation does not include natural organic reduction or to naturally reduce human remains.

Sec. 15. Minnesota Statutes 2020, section 149A.02, subdivision 16, is amended to read:

Subd. 16. **Final disposition.** "Final disposition" means the acts leading to and the entombment, burial in a cemetery, alkaline hydrolysis, organic natural reduction, or cremation of a dead human body.

Sec. 16. Minnesota Statutes 2020, section 149A.02, subdivision 23, is amended to read:

Subd. 23. **Funeral services.** "Funeral services" means any services which may be used to: (1) care for and prepare dead human bodies for burial, alkaline hydrolysis, organic natural reduction,

cremation, or other final disposition; and (2) arrange, supervise, or conduct the funeral ceremony or the final disposition of dead human bodies.

Sec. 17. Minnesota Statutes 2020, section 149A.02, subdivision 26a, is amended to read:

Subd. 26a. **Inurnment.** "Inurnment" means placing hydrolyzed, naturally reduced, or cremated remains in a hydrolyzed, naturally reduced, or cremated remains container suitable for placement, burial, or shipment.

Sec. 18. Minnesota Statutes 2020, section 149A.02, subdivision 27, is amended to read:

Subd. 27. **Licensee.** "Licensee" means any person or entity that has been issued a license to practice mortuary science, to operate a funeral establishment, to operate an alkaline hydrolysis or natural organic reduction facility, or to operate a crematory by the Minnesota commissioner of health.

Sec. 19. Minnesota Statutes 2020, section 149A.02, subdivision 30a, is amended to read:

Subd. 30a. **Niche.** "Niche" means a space in a columbarium used or intended to be used for the placement of hydrolyzed, naturally reduced, or cremated remains.

Sec. 20. Minnesota Statutes 2020, section 149A.02, is amended by adding a subdivision to read:

Subd. 30b. **Natural organic reduction.** "Natural organic reduction" or "naturally reduce" means the contained, accelerated conversion of human remains to soil.

Sec. 21. Minnesota Statutes 2020, section 149A.02, is amended by adding a subdivision to read:

Subd. 30c. **Natural organic reduction facility.** "Natural organic reduction facility" means a structure, room, or other space in a building or real property where natural organic reduction of a human body occurs.

Sec. 22. Minnesota Statutes 2020, section 149A.02, subdivision 32a, is amended to read:

Subd. 32a. **Placement.** "Placement" means the placing of a container holding hydrolyzed, naturally reduced, or cremated remains in a crypt, vault, or niche.

Sec. 23. Minnesota Statutes 2020, section 149A.02, subdivision 34, is amended to read:

Subd. 34. **Preparation of the body.** "Preparation of the body" means placement of the body into an appropriate cremation, natural organic reduction or alkaline hydrolysis container, embalming of the body or such items of care as washing, disinfecting, shaving, positioning of features, restorative procedures, application of cosmetics, dressing, and casketing.

Sec. 24. Minnesota Statutes 2020, section 149A.02, subdivision 35, is amended to read:

Subd. 35. **Processing.** "Processing" means the removal of foreign objects, drying or cooling, and the reduction of the hydrolyzed, naturally reduced, or cremated remains by mechanical means including, but not limited to, grinding, crushing, or pulverizing, to a granulated appearance appropriate for final disposition.

Sec. 25. Minnesota Statutes 2020, section 149A.02, subdivision 37c, is amended to read:

Subd. 37c. **Scattering.** "Scattering" means the authorized dispersal of hydrolyzed, naturally reduced, or cremated remains in a defined area of a dedicated cemetery or in areas where no local prohibition exists provided that the hydrolyzed or cremated remains are not distinguishable to the public, are not in a container, and that the person who has control over disposition of the hydrolyzed, naturally reduced, or cremated remains has obtained written permission of the property owner or governing agency to scatter on the property.

Sec. 26. Minnesota Statutes 2020, section 149A.02, subdivision 41, is amended to read:

Subd. 41. **Vault.** "Vault" means a space in a mausoleum of sufficient size, used or intended to be used to entomb human remains, cremated remains, ~~or~~ hydrolyzed remains, or naturally reduced remains. Vault may also mean a sealed and lined casket enclosure.

Sec. 27. Minnesota Statutes 2020, section 149A.03, is amended to read:

149A.03 DUTIES OF COMMISSIONER.

The commissioner shall:

(1) enforce all laws and adopt and enforce rules relating to the:

(i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;

(ii) licensure and professional conduct of funeral directors, morticians, interns, practicum students, and clinical students;

(iii) licensing and operation of a funeral establishment;

(iv) licensing and operation of an alkaline hydrolysis facility; ~~and~~

(v) licensing and operation of a crematory; and

(vi) licensing and operation of a natural reduction facility;

(2) provide copies of the requirements for licensure and permits to all applicants;

(3) administer examinations and issue licenses and permits to qualified persons and other legal entities;

(4) maintain a record of the name and location of all current licensees and interns;

(5) perform periodic compliance reviews and premise inspections of licensees;

(6) accept and investigate complaints relating to conduct governed by this chapter;

(7) maintain a record of all current preneed arrangement trust accounts;

(8) maintain a schedule of application, examination, permit, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;

(9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;

(10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and

(11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 28. Minnesota Statutes 2020, section 149A.54, is amended to read:

149A.54 LICENSE TO OPERATE AN ALKALINE HYDROLYSIS FACILITY OR NATURAL ORGANIC REDUCTION FACILITY.

Subdivision 1. **License requirement.** Except as provided in section 149A.01, subdivision 3, a place or premise shall not be maintained, managed, or operated which is devoted to or used in the holding and alkaline hydrolysis or natural organic reduction of a dead human body without possessing a valid license to operate an alkaline hydrolysis or natural organic reduction facility issued by the commissioner of health.

Subd. 2. **Requirements for an alkaline hydrolysis or natural organic reduction facility.** (a) An alkaline hydrolysis or natural organic reduction facility licensed under this section must consist of:

(1) a building or structure that complies with applicable local and state building codes, zoning laws and ordinances, and wastewater management and environmental standards, containing one or more alkaline hydrolysis or natural organic reduction vessels for the alkaline hydrolysis or natural organic reduction of dead human bodies;

(2) a method approved by the commissioner of health to dry the hydrolyzed or naturally reduced remains and which is located within the licensed facility;

(3) a means approved by the commissioner of health for refrigeration of dead human bodies awaiting alkaline hydrolysis or natural organic reduction;

(4) an appropriate means of processing hydrolyzed or naturally reduced remains to a granulated appearance appropriate for final disposition; and

(5) an appropriate holding facility for dead human bodies awaiting alkaline hydrolysis or natural organic reduction.

(b) An alkaline hydrolysis or natural organic reduction facility licensed under this section may also contain a display room for funeral goods.

Subd. 3. **Application procedure; documentation; initial inspection.** An application to license and operate an alkaline hydrolysis or natural organic reduction facility shall be submitted to the commissioner of health. A completed application includes:

(1) a completed application form, as provided by the commissioner;

(2) proof of business form and ownership;

(3) proof of liability insurance coverage or other financial documentation, as determined by the commissioner, that demonstrates the applicant's ability to respond in damages for liability arising from the ownership, maintenance management, or operation of an alkaline hydrolysis or natural organic reduction facility; and

(4) copies of wastewater and other environmental regulatory permits and environmental regulatory licenses necessary to conduct operations.

Upon receipt of the application and appropriate fee, the commissioner shall review and verify all information. Upon completion of the verification process and resolution of any deficiencies in the application information, the commissioner shall conduct an initial inspection of the premises to be licensed. After the inspection and resolution of any deficiencies found and any reinspections as may be necessary, the commissioner shall make a determination, based on all the information available, to grant or deny licensure. If the commissioner's determination is to grant the license, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to deny the license, the commissioner must notify the applicant in writing of the denial and provide the specific reason for denial.

Subd. 4. **Nontransferability of license.** A license to operate an alkaline hydrolysis or natural organic reduction facility is not assignable or transferable and shall not be valid for any entity other than the one named. Each license issued to operate an alkaline hydrolysis or natural organic reduction facility is valid only for the location identified on the license. A 50 percent or more change in ownership or location of the alkaline hydrolysis or natural organic reduction facility automatically terminates the license. Separate licenses shall be required of two or more persons or other legal entities operating from the same location.

Subd. 5. **Display of license.** Each license to operate an alkaline hydrolysis or natural organic reduction facility must be conspicuously displayed in the alkaline hydrolysis or natural organic reduction facility at all times. Conspicuous display means in a location where a member of the general public within the alkaline hydrolysis or natural organic reduction facility is able to observe and read the license.

Subd. 6. **Period of licensure.** All licenses to operate an alkaline hydrolysis or natural organic reduction facility issued by the commissioner are valid for a period of one calendar year beginning on July 1 and ending on June 30, regardless of the date of issuance.

Subd. 7. **Reporting changes in license information.** Any change of license information must be reported to the commissioner, on forms provided by the commissioner, no later than 30 calendar days after the change occurs. Failure to report changes is grounds for disciplinary action.

Subd. 8. **Notification to the commissioner.** If the licensee is operating under a wastewater or an environmental permit or license that is subsequently revoked, denied, or terminated, the licensee shall notify the commissioner.

Subd. 9. **Application information.** All information submitted to the commissioner for a license to operate an alkaline hydrolysis or natural organic reduction facility is classified as licensing data under section 13.41, subdivision 5.

Sec. 29. Minnesota Statutes 2020, section 149A.55, is amended to read:

149A.55 RENEWAL OF LICENSE TO OPERATE AN ALKALINE HYDROLYSIS OR NATURAL ORGANIC REDUCTION FACILITY.

Subdivision 1. **Renewal required.** All licenses to operate an alkaline hydrolysis or natural organic reduction facility issued by the commissioner expire on June 30 following the date of issuance of the license and must be renewed to remain valid.

Subd. 2. **Renewal procedure and documentation.** Licensees who wish to renew their licenses must submit to the commissioner a completed renewal application no later than June 30 following the date the license was issued. A completed renewal application includes:

(1) a completed renewal application form, as provided by the commissioner; and

(2) proof of liability insurance coverage or other financial documentation, as determined by the commissioner, that demonstrates the applicant's ability to respond in damages for liability arising from the ownership, maintenance, management, or operation of an alkaline hydrolysis or natural organic reduction facility.

Upon receipt of the completed renewal application, the commissioner shall review and verify the information. Upon completion of the verification process and resolution of any deficiencies in the renewal application information, the commissioner shall make a determination, based on all the information available, to reissue or refuse to reissue the license. If the commissioner's determination is to reissue the license, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to refuse to reissue the license, section 149A.09, subdivision 2, applies.

Subd. 3. **Penalty for late filing.** Renewal applications received after the expiration date of a license will result in the assessment of a late filing penalty. The late filing penalty must be paid before the reissuance of the license and received by the commissioner no later than 31 calendar days after the expiration date of the license.

Subd. 4. **Lapse of license.** Licenses to operate alkaline hydrolysis or natural organic reduction facilities shall automatically lapse when a completed renewal application is not received by the commissioner within 31 calendar days after the expiration date of a license, or a late filing penalty assessed under subdivision 3 is not received by the commissioner within 31 calendar days after the expiration of a license.

Subd. 5. **Effect of lapse of license.** Upon the lapse of a license, the person to whom the license was issued is no longer licensed to operate an alkaline hydrolysis or natural organic reduction facility in Minnesota. The commissioner shall issue a cease and desist order to prevent the lapsed license holder from operating an alkaline hydrolysis or natural organic reduction facility in Minnesota and may pursue any additional lawful remedies as justified by the case.

Subd. 6. **Restoration of lapsed license.** The commissioner may restore a lapsed license upon receipt and review of a completed renewal application, receipt of the late filing penalty, and reinspection of the premises, provided that the receipt is made within one calendar year from the expiration date of the lapsed license and the cease and desist order issued by the commissioner has not been violated. If a lapsed license is not restored within one calendar year from the expiration date of the lapsed license, the holder of the lapsed license cannot be relicensed until the requirements in section 149A.54 are met.

Subd. 7. **Reporting changes in license information.** Any change of license information must be reported to the commissioner, on forms provided by the commissioner, no later than 30 calendar days after the change occurs. Failure to report changes is grounds for disciplinary action.

Subd. 8. **Application information.** All information submitted to the commissioner by an applicant for renewal of licensure to operate an alkaline hydrolysis or natural organic reduction facility is classified as licensing data under section 13.41, subdivision 5.

Sec. 30. Minnesota Statutes 2020, section 149A.65, subdivision 6, is amended to read:

Subd. 6. **Alkaline hydrolysis or natural organic reduction facilities.** The initial and renewal fee for an alkaline hydrolysis or natural organic reduction facility is \$425. The late fee charge for a license renewal is \$100.

Sec. 31. Minnesota Statutes 2020, section 149A.70, subdivision 1, is amended to read:

Subdivision 1. **Use of titles.** Only a person holding a valid license to practice mortuary science issued by the commissioner may use the title of mortician, funeral director, or any other title implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate an alkaline hydrolysis or natural organic reduction facility issued by the commissioner may use the title of alkaline hydrolysis facility, natural organic reduction facility, water cremation, water-reduction, biocremation, green-cremation, resomation, dissolution, or any other title, word, or term implying that the licensee operates an alkaline hydrolysis or natural organic reduction facility. Only the holder of a valid license to operate a funeral establishment issued by the commissioner may use the title of funeral home, funeral chapel, funeral service, or any other title, word, or term implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate a crematory issued by the commissioner may use the title of crematory, crematorium, green-cremation, or any other title, word, or term implying that the licensee operates a crematory or crematorium.

Sec. 32. Minnesota Statutes 2020, section 149A.70, subdivision 2, is amended to read:

Subd. 2. **Business location.** A funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory shall not do business in a location that is not licensed as a funeral

establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory and shall not advertise a service that is available from an unlicensed location.

Sec. 33. Minnesota Statutes 2020, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, or intern shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory, unless the surname had been previously and continuously used by the licensed funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, or crematory shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 34. Minnesota Statutes 2020, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, or intern shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of by a specific body donation program, funeral establishment, alkaline hydrolysis facility, natural organic reduction facility, crematory, mausoleum, or cemetery.

Sec. 35. Minnesota Statutes 2020, section 149A.71, subdivision 2, is amended to read:

Subd. 2. **Preventive requirements.** (a) To prevent unfair or deceptive acts or practices, the requirements of this subdivision must be met.

(b) Funeral providers must tell persons who ask by telephone about the funeral provider's offerings or prices any accurate information from the price lists described in paragraphs (c) to (e) and any other readily available information that reasonably answers the questions asked.

(c) Funeral providers must make available for viewing to people who inquire in person about the offerings or prices of funeral goods or burial site goods, separate printed or typewritten price

lists using a ten-point font or larger. Each funeral provider must have a separate price list for each of the following types of goods that are sold or offered for sale:

- (1) caskets;
- (2) alternative containers;
- (3) outer burial containers;
- (4) alkaline hydrolysis or natural organic reduction containers;
- (5) cremation containers;
- (6) hydrolyzed or naturally reduced remains containers;
- (7) cremated remains containers;
- (8) markers; and
- (9) headstones.

(d) Each separate price list must contain the name of the funeral provider's place of business, address, and telephone number and a caption describing the list as a price list for one of the types of funeral goods or burial site goods described in paragraph (c), clauses (1) to (9). The funeral provider must offer the list upon beginning discussion of, but in any event before showing, the specific funeral goods or burial site goods and must provide a photocopy of the price list, for retention, if so asked by the consumer. The list must contain, at least, the retail prices of all the specific funeral goods and burial site goods offered which do not require special ordering, enough information to identify each, and the effective date for the price list. However, funeral providers are not required to make a specific price list available if the funeral providers place the information required by this paragraph on the general price list described in paragraph (e).

(e) Funeral providers must give a printed price list, for retention, to persons who inquire in person about the funeral goods, funeral services, burial site goods, or burial site services or prices offered by the funeral provider. The funeral provider must give the list upon beginning discussion of either the prices of or the overall type of funeral service or disposition or specific funeral goods, funeral services, burial site goods, or burial site services offered by the provider. This requirement applies whether the discussion takes place in the funeral establishment or elsewhere. However, when the deceased is removed for transportation to the funeral establishment, an in-person request for authorization to embalm does not, by itself, trigger the requirement to offer the general price list. If the provider, in making an in-person request for authorization to embalm, discloses that embalming is not required by law except in certain special cases, the provider is not required to offer the general price list. Any other discussion during that time about prices or the selection of funeral goods, funeral services, burial site goods, or burial site services triggers the requirement to give the consumer a general price list. The general price list must contain the following information:

- (1) the name, address, and telephone number of the funeral provider's place of business;
- (2) a caption describing the list as a "general price list";

(3) the effective date for the price list;

(4) the retail prices, in any order, expressed either as a flat fee or as the prices per hour, mile, or other unit of computation, and other information described as follows:

(i) forwarding of remains to another funeral establishment, together with a list of the services provided for any quoted price;

(ii) receiving remains from another funeral establishment, together with a list of the services provided for any quoted price;

(iii) separate prices for each alkaline hydrolysis, natural organic reduction, or cremation offered by the funeral provider, with the price including an alternative container or alkaline hydrolysis, natural organic reduction, or cremation container, any alkaline hydrolysis, natural organic reduction, or crematory charges, and a description of the services and container included in the price, where applicable, and the price of alkaline hydrolysis, natural organic reduction, or cremation where the purchaser provides the container;

(iv) separate prices for each immediate burial offered by the funeral provider, including a casket or alternative container, and a description of the services and container included in that price, and the price of immediate burial where the purchaser provides the casket or alternative container;

(v) transfer of remains to the funeral establishment or other location;

(vi) embalming;

(vii) other preparation of the body;

(viii) use of facilities, equipment, or staff for viewing;

(ix) use of facilities, equipment, or staff for funeral ceremony;

(x) use of facilities, equipment, or staff for memorial service;

(xi) use of equipment or staff for graveside service;

(xii) hearse or funeral coach;

(xiii) limousine; and

(xiv) separate prices for all cemetery-specific goods and services, including all goods and services associated with interment and burial site goods and services and excluding markers and headstones;

(5) the price range for the caskets offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or casket sale location." or the prices of individual caskets, as disclosed in the manner described in paragraphs (c) and (d);

(6) the price range for the alternative containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or alternative

container sale location." or the prices of individual alternative containers, as disclosed in the manner described in paragraphs (c) and (d);

(7) the price range for the outer burial containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or outer burial container sale location." or the prices of individual outer burial containers, as disclosed in the manner described in paragraphs (c) and (d);

(8) the price range for the alkaline hydrolysis or natural organic reduction container offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or alkaline hydrolysis or natural organic reduction container sale location." or the prices of individual alkaline hydrolysis or natural organic reduction containers, as disclosed in the manner described in paragraphs (c) and (d);

(9) the price range for the hydrolyzed or naturally reduced remains container offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or hydrolyzed or naturally reduced remains container sale location." or the prices of individual hydrolyzed or naturally reduced remains ~~container~~ containers, as disclosed in the manner described in paragraphs (c) and (d);

(10) the price range for the cremation containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or cremation container sale location." or the prices of individual cremation containers, as disclosed in the manner described in paragraphs (c) and (d);

(11) the price range for the cremated remains containers offered by the funeral provider, together with the statement, "A complete price list will be provided at the funeral establishment or cremated remains container sale location," or the prices of individual cremation containers as disclosed in the manner described in paragraphs (c) and (d);

(12) the price for the basic services of funeral provider and staff, together with a list of the principal basic services provided for any quoted price and, if the charge cannot be declined by the purchaser, the statement "This fee for our basic services will be added to the total cost of the funeral arrangements you select. (This fee is already included in our charges for alkaline hydrolysis, natural organic reduction, direct cremations, immediate burials, and forwarding or receiving remains.)" If the charge cannot be declined by the purchaser, the quoted price shall include all charges for the recovery of unallocated funeral provider overhead, and funeral providers may include in the required disclosure the phrase "and overhead" after the word "services." This services fee is the only funeral provider fee for services, facilities, or unallocated overhead permitted by this subdivision to be nondeclinable, unless otherwise required by law;

(13) the price range for the markers and headstones offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or marker or headstone sale location." or the prices of individual markers and headstones, as disclosed in the manner described in paragraphs (c) and (d); and

(14) any package priced funerals offered must be listed in addition to and following the information required in paragraph (e) and must clearly state the funeral goods and services being offered, the price being charged for those goods and services, and the discounted savings.

(f) Funeral providers must give an itemized written statement, for retention, to each consumer who arranges an at-need funeral or other disposition of human remains at the conclusion of the discussion of the arrangements. The itemized written statement must be signed by the consumer selecting the goods and services as required in section 149A.80. If the statement is provided by a funeral establishment, the statement must be signed by the licensed funeral director or mortician planning the arrangements. If the statement is provided by any other funeral provider, the statement must be signed by an authorized agent of the funeral provider. The statement must list the funeral goods, funeral services, burial site goods, or burial site services selected by that consumer and the prices to be paid for each item, specifically itemized cash advance items (these prices must be given to the extent then known or reasonably ascertainable if the prices are not known or reasonably ascertainable, a good faith estimate shall be given and a written statement of the actual charges shall be provided before the final bill is paid), and the total cost of goods and services selected. At the conclusion of an at-need arrangement, the funeral provider is required to give the consumer a copy of the signed itemized written contract that must contain the information required in this paragraph.

(g) Upon receiving actual notice of the death of an individual with whom a funeral provider has entered a preneed funeral agreement, the funeral provider must provide a copy of all preneed funeral agreement documents to the person who controls final disposition of the human remains or to the designee of the person controlling disposition. The person controlling final disposition shall be provided with these documents at the time of the person's first in-person contact with the funeral provider, if the first contact occurs in person at a funeral establishment, alkaline hydrolysis or natural organic reduction facility, crematory, or other place of business of the funeral provider. If the contact occurs by other means or at another location, the documents must be provided within 24 hours of the first contact.

Sec. 36. Minnesota Statutes 2020, section 149A.71, subdivision 4, is amended to read:

Subd. 4. **Casket, alternate container, alkaline hydrolysis or natural organic reduction container, and cremation container sales; records; required disclosures.** Any funeral provider who sells or offers to sell a casket, alternate container, alkaline hydrolysis or natural organic reduction container, hydrolyzed or naturally reduced remains container, cremation container, or cremated remains container to the public must maintain a record of each sale that includes the name of the purchaser, the purchaser's mailing address, the name of the decedent, the date of the decedent's death, and the place of death. These records shall be open to inspection by the regulatory agency. Any funeral provider selling a casket, alternate container, or cremation container to the public, and not having charge of the final disposition of the dead human body, shall provide a copy of the statutes and rules controlling the removal, preparation, transportation, arrangements for disposition, and final disposition of a dead human body. This subdivision does not apply to morticians, funeral directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate containers, alkaline hydrolysis or natural organic reduction containers, or cremation containers.

Sec. 37. Minnesota Statutes 2020, section 149A.72, subdivision 3, is amended to read:

Subd. 3. **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.** In selling or offering to sell funeral goods or funeral services to the public, it is a deceptive act or practice for a funeral provider to represent that a casket is required for alkaline hydrolysis, natural organic reduction, or cremations by state or local law or otherwise.

Sec. 38. Minnesota Statutes 2020, section 149A.72, subdivision 3a, is amended to read:

Subd. 3a. **Casket for alkaline hydrolysis or natural organic reduction provision; preventive measures.** To prevent deceptive acts or practices, funeral providers must place the following disclosure in immediate conjunction with the prices shown for alkaline hydrolysis or natural organic reduction: "Minnesota law does not require you to purchase a casket for alkaline hydrolysis or natural organic reduction. If you want to arrange for alkaline hydrolysis or natural organic reduction, you can use an alkaline hydrolysis or natural organic reduction container. An alkaline hydrolysis or natural organic reduction container is a hydrolyzable or biodegradable closed container or pouch resistant to leakage of bodily fluids that encases the body and into which a dead human body is placed prior to insertion into an alkaline hydrolysis or natural organic reduction vessel. The containers we provide are (specify containers provided)." This disclosure is required only if the funeral provider arranges alkaline hydrolysis or natural organic reduction.

Sec. 39. Minnesota Statutes 2020, section 149A.72, subdivision 9, is amended to read:

Subd. 9. **Deceptive acts or practices.** In selling or offering to sell funeral goods, funeral services, burial site goods, or burial site services to the public, it is a deceptive act or practice for a funeral provider to represent that federal, state, or local laws, or particular cemeteries, alkaline hydrolysis facilities, natural organic reduction facilities, or crematories require the purchase of any funeral goods, funeral services, burial site goods, or burial site services when that is not the case.

Sec. 40. Minnesota Statutes 2020, section 149A.73, subdivision 1, is amended to read:

Subdivision 1. **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.** In selling or offering to sell funeral goods, funeral services, burial site goods, or burial site services to the public, it is a deceptive act or practice for a funeral provider to require that a casket be purchased for alkaline hydrolysis, natural organic reduction, or cremation.

Sec. 41. Minnesota Statutes 2020, section 149A.73, subdivision 2, is amended to read:

Subd. 2. **Casket for alkaline hydrolysis, natural organic reduction, or cremation; preventive requirements.** To prevent unfair or deceptive acts or practices, if funeral providers arrange for alkaline hydrolysis, natural organic reduction, or cremations, they must make an alkaline hydrolysis or natural organic reduction container or cremation container available for alkaline hydrolysis, natural organic reduction, or cremations.

Sec. 42. Minnesota Statutes 2020, section 149A.74, subdivision 1, is amended to read:

Subdivision 1. **Services provided without prior approval; deceptive acts or practices.** In selling or offering to sell funeral goods or funeral services to the public, it is a deceptive act or practice for any funeral provider to embalm a dead human body unless state or local law or regulation requires embalming in the particular circumstances regardless of any funeral choice which might be made, or prior approval for embalming has been obtained from an individual legally authorized to make such a decision. In seeking approval to embalm, the funeral provider must disclose that embalming is not required by law except in certain circumstances; that a fee will be charged if a funeral is selected which requires embalming, such as a funeral with viewing; and that no embalming

fee will be charged if the family selects a service which does not require embalming, such as direct alkaline hydrolysis, direct natural organic reduction, direct cremation, or immediate burial.

Sec. 43. Minnesota Statutes 2020, section 149A.94, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Every dead human body lying within the state, except unclaimed bodies delivered for dissection by the medical examiner, those delivered for anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through the state for the purpose of disposition elsewhere; and the remains of any dead human body after dissection or anatomical study, shall be decently buried or entombed in a public or private cemetery, alkaline hydrolyzed, naturally reduced, or cremated within a reasonable time after death. Where final disposition of a body will not be accomplished within 72 hours following death or release of the body by a competent authority with jurisdiction over the body, the body must be properly embalmed, refrigerated, or packed with dry ice. A body may not be kept in refrigeration for a period exceeding six calendar days, or packed in dry ice for a period that exceeds four calendar days, from the time of death or release of the body from the coroner or medical examiner.

Sec. 44. Minnesota Statutes 2020, section 149A.94, subdivision 4, is amended to read:

Subd. 4. **Alkaline hydrolysis, natural organic reduction, or cremation.** Inurnment of alkaline hydrolyzed, naturally reduced, or cremated remains and release to an appropriate party is considered final disposition and no further permits or authorizations are required for transportation, interment, entombment, or placement of the ~~cremated~~ remains, except as provided in section 149A.95, subdivision 16.

Sec. 45. Minnesota Statutes 2020, section 149A.941, is amended to read:

149A.941 ALKALINE HYDROLYSIS AND NATURAL ORGANIC REDUCTION FACILITIES AND; ALKALINE HYDROLYSIS AND NATURAL ORGANIC REDUCTION.

Subdivision 1. **License required.** A dead human body may only be hydrolyzed or naturally reduced in this state at an alkaline hydrolysis or natural organic reduction facility licensed by the commissioner of health.

Subd. 2. **General requirements.** Any building to be used as an alkaline hydrolysis or natural organic reduction facility must comply with all applicable local and state building codes, zoning laws and ordinances, wastewater management regulations, and environmental statutes, rules, and standards. An alkaline hydrolysis or natural organic reduction facility must have, on site, a purpose built human alkaline hydrolysis or natural organic reduction system approved by the commissioner of health, a system approved by the commissioner of health for drying the hydrolyzed remains, a motorized mechanical device approved by the commissioner of health for processing hydrolyzed or naturally reduced remains, and in the building a holding facility approved by the commissioner of health for the retention of dead human bodies awaiting alkaline hydrolysis or natural organic reduction. The holding facility must be secure from access by anyone except the authorized personnel of the alkaline hydrolysis or natural organic reduction facility, preserve the dignity of the remains, and protect the health and safety of the alkaline hydrolysis or natural organic reduction facility personnel.

Subd. 3. **Lighting and ventilation.** The room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place shall be properly lit and ventilated with an exhaust fan that provides at least 12 air changes per hour.

Subd. 4. **Plumbing connections.** All plumbing fixtures, water supply lines, plumbing vents, and waste drains shall be properly vented and connected pursuant to the Minnesota Plumbing Code. The alkaline hydrolysis or natural organic reduction facility shall be equipped with a functional sink with hot and cold running water.

Subd. 5. **Flooring, walls, ceiling, doors, and windows.** The room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place shall have nonporous flooring, so that a sanitary condition is provided. The walls and ceiling of the room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place shall run from floor to ceiling and be covered with tile, or by plaster or sheetrock painted with washable paint or other appropriate material so that a sanitary condition is provided. The doors, walls, ceiling, and windows shall be constructed to prevent odors from entering any other part of the building. All windows or other openings to the outside must be screened, and all windows must be treated in a manner that prevents viewing into the room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place. A viewing window for authorized family members or their designees is not a violation of this subdivision.

Subd. 6. **Equipment and supplies.** The alkaline hydrolysis facility must have a functional emergency eye wash and quick drench shower.

Subd. 7. **Access and privacy.** (a) The room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place must be private and have no general passageway through it. The room shall, at all times, be secure from the entrance of unauthorized persons. Authorized persons are:

- (1) licensed morticians;
- (2) registered interns or students as described in section 149A.91, subdivision 6;
- (3) public officials or representatives in the discharge of their official duties;
- (4) trained alkaline hydrolysis or natural organic reduction facility operators; and

(5) the person or persons with the right to control the dead human body as defined in section 149A.80, subdivision 2, and their designees.

(b) Each door allowing ingress or egress shall carry a sign that indicates that the room is private and access is limited. All authorized persons who are present in or enter the room where the alkaline hydrolysis or natural organic reduction vessel is located while a body is being prepared for final disposition must be attired according to all applicable state and federal regulations regarding the control of infectious disease and occupational and workplace health and safety.

Subd. 8. **Sanitary conditions and permitted use.** The room where the alkaline hydrolysis or natural organic reduction vessel is located and the room where the chemical storage takes place and

all fixtures, equipment, instruments, receptacles, clothing, and other appliances or supplies stored or used in the room must be maintained in a clean and sanitary condition at all times.

Subd. 9. **Boiler use.** When a boiler is required by the manufacturer of the alkaline hydrolysis or natural organic reduction vessel for its operation, all state and local regulations for that boiler must be followed.

Subd. 10. **Occupational and workplace safety.** All applicable provisions of state and federal regulations regarding exposure to workplace hazards and accidents shall be followed in order to protect the health and safety of all authorized persons at the alkaline hydrolysis or natural organic reduction facility.

Subd. 11. **Licensed personnel.** A licensed alkaline hydrolysis or natural organic reduction facility must employ a licensed mortician to carry out the process of alkaline hydrolysis or natural organic reduction of a dead human body. It is the duty of the licensed alkaline hydrolysis or natural organic reduction facility to provide proper procedures for all personnel, and the licensed alkaline hydrolysis or natural organic reduction facility shall be strictly accountable for compliance with this chapter and other applicable state and federal regulations regarding occupational and workplace health and safety.

Subd. 12. **Authorization to hydrolyze or naturally reduce required.** No alkaline hydrolysis or natural organic reduction facility shall hydrolyze, naturally reduce or cause to be hydrolyzed or naturally reduced any dead human body or identifiable body part without receiving written authorization to do so from the person or persons who have the legal right to control disposition as described in section 149A.80 or the person's legal designee. The written authorization must include:

- (1) the name of the deceased and the date of death of the deceased;
- (2) a statement authorizing the alkaline hydrolysis or natural organic reduction facility to hydrolyze or naturally reduce the body;
- (3) the name, address, telephone number, relationship to the deceased, and signature of the person or persons with legal right to control final disposition or a legal designee;
- (4) directions for the disposition of any nonhydrolyzed or naturally reduced materials or items recovered from the alkaline hydrolysis or natural organic reduction vessel;
- (5) acknowledgment that the hydrolyzed or naturally reduced remains will be dried and mechanically reduced to a granulated appearance and placed in an appropriate container and authorization to place any hydrolyzed or naturally reduced remains that a selected urn or container will not accommodate into a temporary container;
- (6) acknowledgment that, even with the exercise of reasonable care, it is not possible to recover all particles of the hydrolyzed or naturally reduced remains and that some particles may inadvertently become commingled with particles of other hydrolyzed or naturally reduced remains that remain in the alkaline hydrolysis or natural organic reduction vessel or other mechanical devices used to process the hydrolyzed or naturally reduced remains;
- (7) directions for the ultimate disposition of the hydrolyzed or naturally reduced remains; and

(8) a statement that includes, but is not limited to, the following information: "During the alkaline hydrolysis process, chemical dissolution using heat, water, and an alkaline solution is used to chemically break down the human tissue and the hydrolyzable alkaline hydrolysis container. After the process is complete, the liquid effluent solution contains the chemical by-products of the alkaline hydrolysis process except for the deceased's bone fragments. The solution is cooled and released according to local environmental regulations. A water rinse is applied to the hydrolyzed remains which are then dried and processed to facilitate inurnment or scattering."

Subd. 13. **Limitation of liability.** A licensed alkaline hydrolysis or natural organic reduction facility acting in good faith, with reasonable reliance upon an authorization to hydrolyze or naturally reduce, pursuant to an authorization to hydrolyze or naturally reduce and in an otherwise lawful manner, shall be held harmless from civil liability and criminal prosecution for any actions taken by the alkaline hydrolysis or natural organic reduction facility.

Subd. 14. **Acceptance of delivery of body.** (a) No dead human body shall be accepted for final disposition by alkaline hydrolysis or natural organic reduction unless:

(1) encased in an appropriate alkaline hydrolysis or natural organic reduction container;

(2) accompanied by a disposition permit issued pursuant to section 149A.93, subdivision 3, including a photocopy of the completed death record or a signed release authorizing alkaline hydrolysis or natural organic reduction of the body received from the coroner or medical examiner; and

(3) accompanied by an alkaline hydrolysis or natural organic reduction authorization that complies with subdivision 12.

(b) An alkaline hydrolysis or natural organic reduction facility shall refuse to accept delivery of an alkaline hydrolysis container where there is:

(1) evidence of leakage of fluids from the alkaline hydrolysis or natural organic reduction container;

(2) a known dispute concerning hydrolysis or natural organic reduction of the body delivered;

(3) a reasonable basis for questioning any of the representations made on the written authorization to hydrolyze or naturally reduce; or

(4) any other lawful reason.

Subd. 15. **Bodies awaiting hydrolysis.** A dead human body must be hydrolyzed within 24 hours of the alkaline hydrolysis facility accepting legal and physical custody of the body.

Subd. 16. **Handling of alkaline hydrolysis or natural organic reduction containers for dead human bodies.** All alkaline hydrolysis or natural organic reduction facility employees handling alkaline hydrolysis or natural organic reduction containers for dead human bodies shall use universal precautions and otherwise exercise all reasonable precautions to minimize the risk of transmitting any communicable disease from the body. No dead human body shall be removed from the container in which it is delivered.

Subd. 17. **Identification of body.** All licensed alkaline hydrolysis or natural organic reduction facilities shall develop, implement, and maintain an identification procedure whereby dead human bodies can be identified from the time the alkaline hydrolysis or natural organic reduction facility accepts delivery of the remains until the ~~hydrolyzed~~ remains are released to an authorized party. After hydrolyzation or natural organic reduction, an identifying disk, tab, or other permanent label shall be placed within the ~~hydrolyzed~~ remains container before the ~~hydrolyzed~~ remains are released from the alkaline hydrolysis or natural organic reduction facility. Each identification disk, tab, or label shall have a number that shall be recorded on all paperwork regarding the decedent. This procedure shall be designed to reasonably ensure that the proper body is hydrolyzed or naturally reduced and that the ~~hydrolyzed~~ remains are returned to the appropriate party. Loss of all or part of the ~~hydrolyzed~~ remains or the inability to individually identify the ~~hydrolyzed~~ remains is a violation of this subdivision.

Subd. 18. **Alkaline hydrolysis vessel for human remains.** A licensed alkaline hydrolysis or natural organic reduction facility shall knowingly hydrolyze or naturally reduce only dead human bodies or human remains in an alkaline hydrolysis or natural organic reduction vessel, along with the alkaline hydrolysis or natural organic reduction container used for infectious disease control.

Subd. 19. **Alkaline hydrolysis or natural organic reduction procedures; privacy.** The final disposition of dead human bodies by alkaline hydrolysis or natural organic reduction shall be done in privacy. Unless there is written authorization from the person with the legal right to control the disposition, only authorized ~~alkaline hydrolysis~~ facility personnel shall be permitted in the alkaline hydrolysis or natural organic reduction area while any dead human body is ~~in the alkaline hydrolysis area~~ awaiting alkaline hydrolysis or natural organic reduction, in the ~~alkaline hydrolysis~~ vessel, being removed from the ~~alkaline hydrolysis~~ vessel, or being processed and placed in a ~~hydrolyzed~~ remains container.

Subd. 20. **Alkaline hydrolysis or natural organic reduction procedures; commingling of ~~hydrolyzed~~ remains prohibited.** Except with the express written permission of the person with the legal right to control the disposition, no alkaline hydrolysis or natural organic reduction facility shall hydrolyze or naturally reduce more than one dead human body at the same time and in the same ~~alkaline hydrolysis~~ vessel, or introduce a second dead human body into ~~an alkaline hydrolysis~~ a vessel until reasonable efforts have been employed to remove all fragments of the preceding ~~hydrolyzed~~ remains, or hydrolyze or naturally reduce a dead human body and other human remains at the same time and in the same ~~alkaline hydrolysis~~ vessel. This section does not apply where commingling of human remains during alkaline hydrolysis or natural organic reduction is otherwise provided by law. The fact that there is incidental and unavoidable residue in the ~~alkaline hydrolysis~~ vessel used in a prior hydrolyzation or natural organic reduction is not a violation of this subdivision.

Subd. 21. **Alkaline hydrolysis or natural organic reduction procedures; removal from ~~alkaline hydrolysis~~ vessel.** Upon completion of the alkaline hydrolysis or natural organic reduction process, reasonable efforts shall be made to remove from the ~~alkaline hydrolysis~~ vessel all of the recoverable ~~hydrolyzed~~ remains and ~~nonhydrolyzed~~ materials or items. Further, all reasonable efforts shall be made to separate and recover the nonhydrolyzed materials or items from the hydrolyzed human remains and dispose of these materials in a lawful manner, by the alkaline hydrolysis facility. The ~~hydrolyzed~~ human remains shall be placed in an appropriate container to be transported to the processing area.

Subd. 22. **Drying device or mechanical processor procedures; commingling of hydrolyzed remains prohibited.** Except with the express written permission of the person with the legal right to control the final disposition or otherwise provided by law, no alkaline hydrolysis or natural organic reduction facility shall dry or mechanically process the hydrolyzed human remains of more than one body at a time in the same drying device or mechanical processor, or introduce the hydrolyzed human remains of a second body into a drying device or mechanical processor until processing of any preceding hydrolyzed human remains has been terminated and reasonable efforts have been employed to remove all fragments of the preceding hydrolyzed remains. The fact that there is incidental and unavoidable residue in the drying device, the mechanical processor, or any container used in a prior alkaline hydrolysis or natural organic reduction process, is not a violation of this provision.

Subd. 23. **Alkaline hydrolysis or natural organic reduction procedures; processing hydrolyzed remains.** The hydrolyzed human remains shall be dried and then reduced by a motorized mechanical device to a granulated appearance appropriate for final disposition and placed in an alkaline hydrolysis or natural organic reduction remains container along with the appropriate identifying disk, tab, or permanent label. Processing must take place within the licensed alkaline hydrolysis facility or natural organic reduction facility. Dental gold, silver or amalgam, jewelry, or mementos, to the extent that they can be identified, may be removed prior to processing the hydrolyzed or naturally reduced remains, only by staff licensed or registered by the commissioner of health; however, any dental gold and silver, jewelry, or mementos that are removed shall be returned to the hydrolyzed remains container unless otherwise directed by the person or persons having the right to control the final disposition. Every person who removes or possesses dental gold or silver, jewelry, or mementos from any hydrolyzed remains without specific written permission of the person or persons having the right to control those remains is guilty of a misdemeanor. The fact that residue and any unavoidable dental gold or dental silver, or other precious metals remain in the alkaline hydrolysis vessel or other equipment or any container used in a prior hydrolysis or natural organic reduction is not a violation of this section.

Subd. 24. **Alkaline hydrolysis or natural organic reduction procedures; container of insufficient capacity.** If a hydrolyzed or natural organic reduction remains container is of insufficient capacity to accommodate all hydrolyzed remains of a given dead human body, subject to directives provided in the written authorization to hydrolyze or naturally reduce, the alkaline hydrolysis or natural organic reduction facility shall place the excess hydrolyzed remains in a secondary alkaline hydrolysis remains container and attach the second container, in a manner so as not to be easily detached through incidental contact, to the primary alkaline hydrolysis remains container. The secondary container shall contain a duplicate of the identification disk, tab, or permanent label that was placed in the primary container and all paperwork regarding the given body shall include a notation that the hydrolyzed remains were placed in two containers. Keepsake jewelry or similar miniature hydrolyzed remains containers are not subject to the requirements of this subdivision.

Subd. 25. **Disposition procedures; commingling of hydrolyzed or naturally reduced remains prohibited.** No hydrolyzed or naturally reduced remains shall be disposed of or scattered in a manner or in a location where the hydrolyzed remains are commingled with those of another person without the express written permission of the person with the legal right to control disposition or as otherwise provided by law. This subdivision does not apply to the scattering or burial of hydrolyzed remains at sea or in a body of water from individual containers, to the scattering or burial of hydrolyzed

remains in a dedicated cemetery, to the disposal in a dedicated cemetery of accumulated residue removed from an alkaline hydrolysis or natural organic reduction vessel or other ~~alkaline hydrolysis~~ equipment, to the inurnment of members of the same family in a common container designed for the ~~hydrolyzed~~ remains of more than one body, or to the inurnment in a container or interment in a space that has been previously designated, at the time of sale or purchase, as being intended for the inurnment or interment of the ~~hydrolyzed~~ remains of more than one person.

Subd. 26. **Alkaline hydrolysis or natural organic reduction procedures; disposition of accumulated residue.** Every alkaline hydrolysis or natural organic reduction facility shall provide for the removal and disposition in a dedicated cemetery of any accumulated residue from any alkaline hydrolysis or natural organic reduction vessel, drying device, mechanical processor, container, or other equipment used in alkaline hydrolysis or natural organic reduction. Disposition of accumulated residue shall be according to the regulations of the dedicated cemetery and any applicable local ordinances.

Subd. 27. **Alkaline hydrolysis or natural organic reduction procedures; release of ~~hydrolyzed~~ remains.** Following completion of the hydrolyzation or natural organic reduction, the inurned ~~hydrolyzed~~ remains shall be released according to the instructions given on the written authorization to hydrolyze or naturally reduce. If the ~~hydrolyzed~~ remains are to be shipped, they must be securely packaged and transported by a method which has an internal tracing system available and which provides for a receipt signed by the person accepting delivery. Where there is a dispute over release or disposition of the ~~hydrolyzed~~ remains, an alkaline hydrolysis or natural organic reduction facility may deposit the ~~hydrolyzed~~ remains with a court of competent jurisdiction pending resolution of the dispute or retain the ~~hydrolyzed~~ remains until the person with the legal right to control disposition presents satisfactory indication that the dispute is resolved.

Subd. 28. **Unclaimed ~~hydrolyzed~~ remains.** If, after 30 calendar days following the inurnment, the ~~hydrolyzed~~ remains are not claimed or disposed of according to the written authorization to hydrolyze or naturally reduce, the alkaline hydrolysis or natural organic reduction facility or funeral establishment may give written notice, by certified mail, to the person with the legal right to control the final disposition or a legal designee, that the ~~hydrolyzed~~ remains are unclaimed and requesting further release directions. Should the ~~hydrolyzed~~ remains be unclaimed 120 calendar days following the mailing of the written notification, the alkaline hydrolysis or natural organic reduction facility or funeral establishment may dispose of the ~~hydrolyzed~~ remains in any lawful manner deemed appropriate.

Subd. 29. **Required records.** Every alkaline hydrolysis or natural organic reduction facility shall create and maintain on its premises or other business location in Minnesota an accurate record of every hydrolyzation or natural organic reduction provided. The record shall include all of the following information for each hydrolyzation or natural organic reduction:

(1) the name of the person or funeral establishment delivering the body for alkaline hydrolysis or natural organic reduction;

(2) the name of the deceased and the identification number assigned to the body;

(3) the date of acceptance of delivery;

(4) the names of the alkaline hydrolysis or natural organic reduction vessel, drying device, and mechanical processor operator, if applicable;

(5) the time and date that the body was placed in and the remains removed from the alkaline hydrolysis or natural organic reduction vessel;

(6) the time and date that processing and inurnment of the ~~hydrolyzed~~ remains was completed;

(7) the time, date, and manner of release of the ~~hydrolyzed~~ remains;

(8) the name and address of the person who signed the authorization to hydrolyze or naturally reduce;

(9) all supporting documentation, including any transit or disposition permits, a photocopy of the death record, and the authorization to hydrolyze or naturally reduce; and

(10) the type of alkaline hydrolysis or natural organic reduction container.

Subd. 30. **Retention of records.** Records required under subdivision 29 shall be maintained for a period of three calendar years after the release of the ~~hydrolyzed~~ remains. Following this period and subject to any other laws requiring retention of records, the alkaline hydrolysis or natural organic reduction facility may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of release of the ~~hydrolyzed~~ remains. At the end of this period and subject to any other laws requiring retention of records, the alkaline hydrolysis or natural organic reduction facility may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified."

Renummer the sections in sequence and correct the internal references

Amend the title accordingly

RECESS

Senator Benson 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.

The Senate resumed consideration of the third Eaton amendment to S.F. No. 4410.

The question was taken on the adoption of the amendment.

Senator Rest moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 27 and nays 35, as follows:

Those who voted in the affirmative were:

Bigham
Carlson

Champion
Cwodzinski

Dibble
Dziedzic

Eaton
Fateh

Frentz
Hawj

Hoffman	Klein	Marty	Putnam	Wiklund
Isaacson	Kunesh	McEwen	Rest	
Johnson Stewart	Latz	Newton	Torres Ray	
Kent	López Franzen	Pappas	Wiger	

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Fateh, Johnson Stewart, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

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

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

Senator Wiklund moved to amend S.F. No. 4410 as follows:

Page 128, before line 9, insert:

"Section 1. Minnesota Statutes 2020, section 256D.0515, is amended to read:

256D.0515 ASSET LIMITATIONS FOR SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS.

All Supplemental Nutrition Assistance Program (SNAP) households must be determined eligible for the benefit discussed under section 256.029. SNAP households must demonstrate that their gross income is equal to or less than ~~165~~ 200 percent of the federal poverty guidelines for the same family size."

Page 443, after line 26, insert:

"(a) Supplemental Nutrition Assistance Program. The general fund appropriation for operations in Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 3, is reduced by \$8,000 in fiscal year 2022, and reduced by \$2,000 in fiscal year 2023. \$8,000 in fiscal year 2022 and \$2,000 in fiscal year 2023 are appropriated to implement the supplemental nutrition assistance gross income limit increase to 200 percent of the federal poverty guidelines."

Page 443, line 27, before "Base" insert "(c)"

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

Senator Benson moved to amend the Wiklund amendment to S.F. No. 4410 as follows:

Page 1, line 6, before "All" insert "(a)"

Page 1, after line 9, insert:

"(b) The governor or the commissioner of human services cannot waive federal work requirements for SNAP households, except as provided under section 256D.0512, and counties must verify that SNAP households are meeting their work requirements."

The question was taken on the adoption of the Benson amendment to the Wiklund amendment.

The roll was called, and there were yeas 37 and nays 28, 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	Osmeck	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, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, and Torres Ray.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Wiklund amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Mathews moved to amend S.F. No. 4410 as follows:

Page 262, after line 9, insert:

"Sec. 33. Minnesota Statutes 2020, section 260C.212, subdivision 4a, is amended to read:

Subd. 4a. **Monthly caseworker visits.** (a) Every child in foster care or on a trial home visit shall be visited by the child's caseworker or another person who has responsibility for visitation of the child on a monthly basis, with the majority of visits occurring in the child's residence. The responsible social services agency may designate another person responsible for monthly case visits. For the purposes of this section, the following definitions apply:

(1) "visit" is defined as a face-to-face contact between a child and the child's caseworker;

(2) "visited on a monthly basis" is defined as at least one visit per calendar month;

(3) "the child's caseworker" is defined as the person who has responsibility for managing the child's foster care placement case as assigned by the responsible social services agency;

(4) "another person" means the professional staff whom the responsible social services agency has assigned in the out-of-home placement plan or case plan. Another person must be professionally trained to assess the child's safety, permanency, well-being, and case progress. The agency may not designate the guardian ad litem, the child foster care provider, residential facility staff, or a qualified individual as defined in section 260C.007, subdivision 26b, as another person; and

(5) "the child's residence" is defined as the home where the child is residing, and can include the foster home, child care institution, or the home from which the child was removed if the child is on a trial home visit.

(b) Caseworker visits shall be of sufficient substance and duration to address issues pertinent to case planning and service delivery to ensure the safety, permanency, and well-being of the child, including whether the child is enrolled and attending school as required by law.

(c) Every effort shall be made by the responsible social services agency and professional staff to have the monthly visit with the child outside the presence of the child's parents, foster parents, or facility staff. There may be situations related to the child's needs when a caseworker visit cannot occur with the child alone. The reason the caseworker visit occurred in the presence of others must be documented in the case record and may include:

(1) that the child exhibits intense emotion or behavior indicating that visiting without the presence of the parent, foster parent, or facility staff would be traumatic for the child;

(2) that despite a caseworker's efforts, the child declines to visit with the caseworker outside the presence of the parent, foster parent, or facility staff; and

(3) that the child has a specific developmental delay, physical limitation, incapacity, medical device, or significant medical need, such that the parent, foster parent, or facility staff is required to be present with the child during the visit."

Page 276, line 19, delete the new language and insert "When it is possible and the report alleges substantial endangerment or sexual abuse"

Page 276, line 20, delete "safety concern"

Page 277, line 15, delete "Other than in exceptional circumstances" and insert "When it is possible and the report alleges substantial endangerment or sexual abuse" and reinstate the stricken language and delete "must"

Page 277, line 16, strike everything after "offender"

Page 277, line 17, delete "must" and insert "may" and delete "or parent, legal custodian,"

Page 277, line 18, delete everything before the period

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Coleman moved to amend S.F. No. 4410 as follows:

Page 72, after line 2, insert:

"Section 1. Minnesota Statutes 2020, section 137.68, is amended to read:

137.68 MINNESOTA RARE DISEASE ADVISORY COUNCIL ~~ON RARE DISEASES.~~

Subdivision 1. **Establishment.** ~~The University of Minnesota is requested to establish~~ There is established an advisory council on rare diseases to provide advice on policies, access, equity, research, diagnosis, treatment, and education related to rare diseases. The advisory council is established in honor of Chloe Barnes and her experiences in the health care system. For purposes of this section, "rare disease" has the meaning given in United States Code, title 21, section 360bb. The council shall be called the ~~Chloe Barnes Advisory Council on Rare Diseases~~ Minnesota Rare Disease Advisory Council. The Council on Disability shall provide meeting and office space and administrative support to the advisory council but does not have authority over the work of the advisory council.

Subd. 2. **Membership.** (a) The advisory council ~~may~~ shall consist of at least 17 public members who reflect statewide representation. Except for initial members, members are appointed by ~~the Board of Regents or a designee~~ the governor according to paragraph (b) ~~and~~. Four members of the legislature are appointed according to paragraph (c).

(b) ~~The Board of Regents or a designee is requested to~~ The governor shall appoint at least the following public members according to section 15.0597:

(1) three physicians licensed and practicing in the state with experience researching, diagnosing, or treating rare diseases, including one specializing in pediatrics;

(2) one registered nurse or advanced practice registered nurse licensed and practicing in the state with experience treating rare diseases;

(3) at least two hospital administrators, or their designees, from hospitals in the state that provide care to persons diagnosed with a rare disease. One administrator or designee appointed under this clause must represent a hospital in which the scope of service focuses on rare diseases of pediatric patients;

(4) three persons age 18 or older who either have a rare disease or are a caregiver of a person with a rare disease. One person appointed under this clause must reside in rural Minnesota;

(5) a representative of a rare disease patient organization that operates in the state;

(6) a social worker with experience providing services to persons diagnosed with a rare disease;

(7) a pharmacist with experience with drugs used to treat rare diseases;

(8) a dentist licensed and practicing in the state with experience treating rare diseases;

(9) a representative of the biotechnology industry;

(10) a representative of health plan companies;

(11) a medical researcher with experience conducting research on rare diseases; ~~and~~

(12) a genetic counselor with experience providing services to persons diagnosed with a rare disease or caregivers of those persons; and

(13) representatives with other areas of expertise as identified by the advisory council.

(c) The advisory council shall include two members of the senate, one appointed by the majority leader and one appointed by the minority leader; and two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader. Members appointed under this paragraph serve until their successors are appointed.

(d) The commissioner of health or a designee, a representative of Mayo Medical School, and a representative of the University of Minnesota Medical School shall serve as ex officio, nonvoting members of the advisory council.

~~(e) Initial appointments to the advisory council shall be made no later than September 1, 2019. Members appointed according to paragraph (b) shall serve for a term of three years, except that the initial members appointed according to paragraph (b) shall have an initial term of two, three, or four years determined by lot by the chairperson. Members appointed according to paragraph (b) shall serve until their successors have been appointed.~~

(f) Members may be reappointed for up to two full additional terms according to the advisory council's operating procedures.

(g) Members may be removed as provided in section 15.059, subdivision 4.

(h) Public members serve without compensation, but may have expenses reimbursed as provided in section 15.059, subdivision 3. Legislative members may receive per diem according to the rules of their respective bodies.

Subd. 3. **Meetings.** ~~The Board of Regents or a designee is requested to convene the first meeting of the advisory council no later than October 1, 2019.~~ The advisory council shall meet at the call of the chairperson or at the request of a majority of advisory council members. Meetings of the advisory council are subject to section 13D.01, and notice of its meetings is governed by section 13D.04.

Subd. 3a. **Chairperson; executive director; staff; executive committee.** (a) The advisory council shall elect a chairperson and other officers as it deems necessary and in accordance with the advisory council's operating procedures.

(b) The advisory council shall be governed by an executive committee elected by the members of the advisory council. One member of the executive committee must be the advisory council chairperson.

(c) The advisory council shall appoint an executive director. The executive director serves as an ex officio nonvoting member of the executive committee. The advisory council may delegate to the executive director any powers and duties under this section that do not require advisory council approval. The executive director serves in the unclassified service and may be removed at any time by a majority vote of the advisory council. The executive director may employ and direct staff necessary to carry out advisory council mandates, policies, activities, and objectives.

(d) The executive committee may appoint additional subcommittees and work groups as necessary to fulfill the duties of the advisory council.

Subd. 4. **Duties.** (a) The advisory council's duties may include, but are not limited to:

(1) in conjunction with the state's medical schools, the state's schools of public health, and hospitals in the state that provide care to persons diagnosed with a rare disease, developing resources or recommendations relating to quality of and access to treatment and services in the state for persons with a rare disease, including but not limited to:

(i) a list of existing, publicly accessible resources on research, diagnosis, treatment, and education relating to rare diseases;

(ii) identifying best practices for rare disease care implemented in other states, at the national level, and at the international level that will improve rare disease care in the state and seeking opportunities to partner with similar organizations in other states and countries;

(iii) identifying and addressing problems faced by patients with a rare disease when changing health plans, including recommendations on how to remove obstacles faced by these patients to finding a new health plan and how to improve the ease and speed of finding a new health plan that meets the needs of patients with a rare disease; ~~and~~

(iv) identifying and addressing barriers faced by patients with a rare disease to obtaining care, caused by prior authorization requirements in private and public health plans; and

~~(iv)~~ (v) identifying, recommending, and implementing best practices to ensure health care providers are adequately informed of the most effective strategies for recognizing and treating rare diseases; and

(2) advising, consulting, and cooperating with the Department of Health, including the Advisory Committee on Heritable and Congenital Disorders; the Department of Human Services, including the Drug Utilization Review Board and the Drug Formulary Committee; and other agencies of state government in developing recommendations, information, and programs for the public and the health care community relating to diagnosis, treatment, and awareness of rare diseases;

(3) advising on policy issues and advancing policy initiatives at the state and federal levels; and

(4) receiving funds and issuing grants.

(b) The advisory council shall collect additional topic areas for study and evaluation from the general public. In order for the advisory council to study and evaluate a topic, the topic must be approved for study and evaluation by the advisory council.

(c) Legislative members may not deliberate about or vote on decisions related to the issuance of grants of state money.

Subd. 5. **Conflict of interest.** Advisory council members are subject to the ~~Board of Regents policy on conflicts~~ advisory council's conflict of interest policy as outlined in the advisory council's operating procedures.

Subd. 6. **Annual report.** By January 1 of each year, beginning January 1, 2020, the advisory council shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and health care policy on the advisory council's activities under subdivision 4 and other issues on which the advisory council may choose to report.

EFFECTIVE DATE. This section is effective July 1, 2022."

Page 83, after line 19, insert:

"Sec. 10. **INITIAL MEMBERS AND FIRST MEETING; MINNESOTA RARE DISEASE ADVISORY COUNCIL.**

Public members serving on the University of Minnesota's Advisory Council on Rare Diseases on June 30, 2022, are the initial public members of the Minnesota Rare Disease Advisory Council. The terms of the members begin on July 1, 2022. The governor must designate six members to serve a two-year term; six members to serve a three-year term; and five members to serve a four-year term. The governor may appoint additional members under Minnesota Statutes, section 137.68, subdivision 2, paragraph (b), clause (13), and must set their terms so that roughly one-third of the members' terms expire after two years, one-third after three years, and one-third after four years. Legislative members of the University of Minnesota's Advisory Council on Rare Disease serve on the Minnesota Rare Disease Advisory Council until appointing authorities appoint successors. The person serving as chair of the executive subcommittee of the University of Minnesota's Advisory Council on Rare Diseases shall convene the first meeting of the Minnesota Rare Disease Advisory Council by September 1, 2022.

Sec. 11. **APPROPRIATIONS.**

In accordance with Minnesota Statutes, section 15.039, subdivision 6, the unexpended balance of money appropriated from the general fund to the Board of Regents of the University of Minnesota for purposes of the advisory council on rare diseases under Minnesota Statutes, section 137.68, shall be under the control of the Minnesota Rare Disease Advisory Council and the Council on Disability.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber as Minnesota Statutes, section 256.4835, the Minnesota Rare Disease Advisory Council that is currently coded as Minnesota Statutes, section 137.68. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

EFFECTIVE DATE. This section is effective July 1, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator López Franzen moved to amend S.F. No. 4410 as follows:

Page 381, after line 2, insert:

"Sec. 26. Minnesota Statutes 2020, section 152.01, subdivision 23, is amended to read:

Subd. 23. **Analog.** (a) Except as provided in paragraph (b), "analog" means a substance, the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II:

(1) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II; or

(2) with respect to a particular person, if the person represents or intends that the substance have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or II.

(b) "Analog" does not include:

(1) a controlled substance;

(2) any substance for which there is an approved new drug application under the Federal Food, Drug, and Cosmetic Act; or

(3) with respect to a particular person, any substance, if an exemption is in effect for investigational use, for that person, as provided by United States Code, title 21, section 355, and the person is registered as a controlled substance researcher as required under section 152.12,

subdivision 3, to the extent conduct with respect to the substance is pursuant to the exemption and registration; or

(4) marijuana or tetrahydrocannabinols naturally contained in a plant of the genus cannabis or in the resinous extractives of the plant.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 27. Minnesota Statutes 2020, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphamethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;
- (10) betaprodine;
- (11) clonitazene;
- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;
- (16) dimenoxadol;
- (17) dimepheptanol;
- (18) dimethylambutene;

- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;
- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacymorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;
- (36) thiofentanyl;
- (37) para-fluorofentanyl;
- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;
- (42) normethadone;
- (43) norpipanone;
- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);

- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;
- (53) racemoramide;
- (54) tilidine;
- (55) trimeperidine;
- (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);
- (57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);
- (58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanyl fentanyl);
- (59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);
- (60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropyl fentanyl);
- (61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide (butyryl fentanyl);
- (62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine (MT-45);
- (63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);
- (64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);
- (65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);
- (66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);
- (67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);
- (68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);
- (69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);

(70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);

(71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);

(72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);

(73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);

(74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranyl fentanyl); and

(75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:

(i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;

(ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxy, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxy, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;

(iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or

(v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

(1) acetorphine;

(2) acetyldihydrocodeine;

(3) benzylmorphine;

(4) codeine methylbromide;

(5) codeine-n-oxide;

(6) cyprenorphine;

(7) desomorphine;

- (8) dihydromorphine;
- (9) drotebanol;
- (10) etorphine;
- (11) heroin;
- (12) hydromorphanol;
- (13) methyldesorphine;
- (14) methyldihydromorphine;
- (15) morphine methylbromide;
- (16) morphine methylsulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;
- (22) pholcodine; and
- (23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxyamphetamine;

- (9) alpha-ethyltryptamine;
- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;
- (13) 3,4,5-trimethoxyamphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TPCP or TCP);
- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);
- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);

- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);
- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);
- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
- (52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);
- (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
- (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
- (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- (57) methoxetamine (MXE);
- (58) 5-iodo-2-aminoindane (5-IAI);
- (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
- (60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);

- (61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);
- (62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);
- (63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);
- (64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);
- (65) N,N-Dipropyltryptamine (DPT);
- (66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);
- (67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);
- (68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);
- (69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);
- (70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethylmorketamine, ethketamine, NENK);
- (71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);
- (72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and
- (73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).

(e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- (4) flunitrazepam;
- (5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);

- (6) tianeptine;
- (7) clonazolam;
- (8) etizolam;
- (9) flubromazolam; and
- (10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) aminorex;
- (2) cathinone;
- (3) fenethylamine;
- (4) methcathinone;
- (5) methylaminorex;
- (6) N,N-dimethylamphetamine;
- (7) N-benzylpiperazine (BZP);
- (8) methylmethcathinone (mephedrone);
- (9) 3,4-methylenedioxy-N-methylcathinone (methylone);
- (10) methoxymethcathinone (methedrone);
- (11) methylenedioxypropylamphetamine (MDPV);
- (12) 3-fluoro-N-methylcathinone (3-FMC);
- (13) methylethcathinone (MEC);
- (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- (15) dimethylmethcathinone (DMMC);
- (16) fluoroamphetamine;
- (17) fluoromethamphetamine;
- (18) α -methylaminobutyrophenone (MABP or buphedrone);
- (19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);

- (20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);
- (21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);
- (22) (alpha-pyrrolidinopentiophenone (alpha-PVP);
- (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);
- (24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);
- (25) 4-methyl-N-ethylcathinone (4-MEC);
- (26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);
- (27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);
- (28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);
- (29) 4-fluoro-N-methylcathinone (4-FMC);
- (30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);
- (31) alpha-pyrrolidinobutiophenone (α -PBP);
- (32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);
- (33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);
- (34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);
- (35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);
- (36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);
- (37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);
- (38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);
- (39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and
- (40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:
 - (i) by substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;
 - (ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(h) ~~Marijuana~~, Synthetic tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any ~~natural~~ or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

~~(1) marijuana;~~

~~(2) (1) synthetic tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, that are the synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant, or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol; and~~

~~(3) (2) synthetic cannabinoids, including the following substances:~~

(i) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

(B) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

(C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

(D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

(E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

(F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

(G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

(H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

(I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

(J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Naphthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole

ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

(A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

(B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

(iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(iv) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

(v) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

(A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

(B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

(C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

(D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

(vi) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

(A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

(B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

(C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

(vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

(B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

(C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

(viii) Others specifically named:

(A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

(B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

(C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de] -1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

(D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

(E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

(F) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

(G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

(H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

(I) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);

(J) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide (AB-PINACA);

(K) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-1H-indazole-3-carboxamide (AB-FUBINACA);

(L) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide(AB-CHMINACA);

(M) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate (5-fluoro-AMB);

(N) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);

- (O) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone) (FUBIMINA);
- (P) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo [2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);
- (Q) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide (5-fluoro-ABICA);
- (R) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indole-3-carboxamide;
- (S) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl) -1H-indazole-3-carboxamide;
- (T) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido) -3,3-dimethylbutanoate;
- (U) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1(cyclohexylmethyl)-1 H-indazole-3-carboxamide (MAB-CHMINACA);
- (V) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);
- (W) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);
- (X) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);
- (Y) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and
- (Z) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).
- (ix) Additional substances specifically named:
- (A) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);
- (B) 1-(4-cyanobutyl)-N-(2- phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);
- (C) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);
- (D) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);
- (E) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);
- (F) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and
- (G) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 28. Minnesota Statutes 2020, section 152.02, subdivision 3, is amended to read:

Subd. 3. **Schedule II.** (a) Schedule II consists of the substances listed in this subdivision.

(b) Unless specifically excepted or unless listed in another schedule, any of the following substances whether produced directly or indirectly by extraction from substances of vegetable origin or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) Opium and opiate, and any salt, compound, derivative, or preparation of opium or opiate.

(i) Excluding:

(A) apomorphine;

(B) thebaine-derived butorphanol;

(C) dextrophan;

(D) nalbuphine;

(E) nalmefene;

(F) naloxegol;

(G) naloxone;

(H) naltrexone; and

(I) their respective salts;

(ii) but including the following:

(A) opium, in all forms and extracts;

(B) codeine;

(C) dihydroetorphine;

(D) ethylmorphine;

(E) etorphine hydrochloride;

(F) hydrocodone;

(G) hydromorphone;

- (H) metopon;
- (I) morphine;
- (J) oxycodone;
- (K) oxymorphone;
- (L) thebaine;
- (M) oripavine;

(2) any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of the substances referred to in clause (1), except that these substances shall not include the isoquinoline alkaloids of opium;

(3) opium poppy and poppy straw;

(4) coca leaves and any salt, cocaine compound, derivative, or preparation of coca leaves (including cocaine and ecgonine and their salts, isomers, derivatives, and salts of isomers and derivatives), and any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, except that the substances shall not include decocainized coca leaves or extraction of coca leaves, which extractions do not contain cocaine or ecgonine;

(5) concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid, or powder form which contains the phenanthrene alkaloids of the opium poppy).

(c) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters and ethers, unless specifically excepted, or unless listed in another schedule, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation:

- (1) alfentanil;
- (2) alphaprodine;
- (3) anileridine;
- (4) bezitramide;
- (5) bulk dextropropoxyphene (nondosage forms);
- (6) carfentanil;
- (7) dihydrocodeine;
- (8) dihydromorphinone;
- (9) diphenoxylate;
- (10) fentanyl;

- (11) isomethadone;
- (12) levo-alpha-acetylmethadol (LAAM);
- (13) levomethorphan;
- (14) levorphanol;
- (15) metazocine;
- (16) methadone;
- (17) methadone - intermediate, 4-cyano-2-dimethylamino-4, 4-diphenylbutane;
- (18) moramide - intermediate, 2-methyl-3-morpholino-1, 1-diphenyl-propane-carboxylic acid;
- (19) pethidine;
- (20) pethidine - intermediate - a, 4-cyano-1-methyl-4-phenylpiperidine;
- (21) pethidine - intermediate - b, ethyl-4-phenylpiperidine-4-carboxylate;
- (22) pethidine - intermediate - c, 1-methyl-4-phenylpiperidine-4-carboxylic acid;
- (23) phenazocine;
- (24) piminodine;
- (25) racemethorphan;
- (26) racemorphan;
- (27) remifentanil;
- (28) sufentanil;
- (29) tapentadol;
- (30) 4-Anilino-N-phenethylpiperidine.

(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

- (1) amphetamine, its salts, optical isomers, and salts of its optical isomers;
- (2) methamphetamine, its salts, isomers, and salts of its isomers;
- (3) phenmetrazine and its salts;
- (4) methylphenidate;

(5) lisdexamfetamine.

(e) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) amobarbital;
- (2) glutethimide;
- (3) secobarbital;
- (4) pentobarbital;
- (5) phencyclidine;
- (6) phencyclidine immediate precursors:
 - (i) 1-phenylcyclohexylamine;
 - (ii) 1-piperidinocyclohexanecarbonitrile;
- (7) phenylacetone.

(f) Cannabis and cannabinoids:

(1) nabilone;

(2) unless specifically excepted or unless listed in another schedule, any natural material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(i) marijuana; and

(ii) tetrahydrocannabinols naturally contained in a plant of the genus cannabis or in the resinous extractives of the plant, except that a product containing tetrahydrocannabinols is not included if it meets the requirements of section 151.72; and

~~(2)~~ (3) dronabinol [(-)-delta-9-trans-tetrahydrocannabinol (delta-9-THC)] in an oral solution in a drug product approved for marketing by the United States Food and Drug Administration.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 29. Minnesota Statutes 2020, section 152.11, is amended by adding a subdivision to read:

Subd. 5. **Exception.** References in this section to Schedule II controlled substances do not extend to marijuana or tetrahydrocannabinols.

Sec. 30. Minnesota Statutes 2020, section 152.12, is amended by adding a subdivision to read:

Subd. 6. **Exception.** References in this section to Schedule II controlled substances do not extend to marijuana or tetrahydrocannabinols."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

Senator Utke questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator López Franzen 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 28, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Fateh, Johnson Stewart, and Torres Ray.

So the decision of the President was sustained.

President Osmek called Senator Mathews to preside.

Senator Rosen moved to amend S.F. No. 4410 as follows:

Page 83, after line 19, insert:

"Sec. 9. **PRESCRIPTION DIGITAL THERAPEUTICS PILOT PROGRAM.**

(a) The commissioner of human services shall allocate \$8,091,000 in round three of the federal opioid response grant program to be used to establish a pilot program to explore the effectiveness of using FDA authorized prescription digital therapeutics for the treatment of substance use disorders within the medical assistance program. The pilot program shall include at least one clinic or practice site located within the seven county metropolitan area and at least one clinic or practice site located outside the seven county metropolitan area. The clinic or practice site must be capable of incorporating in the pilot program a minimum of 1,000 patients enrolled in medical assistance who represent different demographics and who are receiving or are eligible to receive substance use disorder services, including treatment with medication or behavioral health services, or both. Participation in the pilot program by a patient is voluntary. The clinic or practice site must obtain informed consent from each patient before enrolling the patient in the pilot program.

(b) By July 1, 2024, the commissioner of human services shall submit a report to the chairs and ranking minority members of the legislative committee with jurisdiction over health and human services policy and finances on the prescription digital therapeutics pilot program. The report must include the following:

(1) a description of each clinic or practice site and the demographics of the patient population included in the pilot program;

(2) the successes and challenges of the pilot program, including but not limited to patient access to treatment; patient satisfaction; and successful completion of patient treatment goals;

(3) the impact of the pilot program on health equity issues;

(4) a comparison of hospitalization rates for the pilot program patient population as compared to the medical assistance population at large and as compared to patients who did not chose to participate in the pilot program; and

(5) any recommendations on providing medical assistance coverage for prescription digital therapeutics for the treatment of substance use disorders.

(c) Of the allocation in paragraph (a), up to \$810,000 may be used by the commissioner for the administration of the pilot program. Any funds allocated under this section are available until expended or until March 1, 2024, whichever occurs first."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 4410 as follows:

Page 15, after line 27, insert:

"Subd. 4. **Spending requirements.** (a) At least 80 percent of the marginal increase in revenue for homemaker services resulting from the implementation of the new rate methodology under this

section, including any subsequent rate adjustments, for services rendered on or after the day of implementation of the new rate methodology or applicable rate adjustment must be used to increase compensation-related costs for employees directly employed by the program.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to implementation of the new rate methodology or applicable rate adjustment.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new rate methodology or any rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan."

Page 34, after line 15, insert:

"Sec. 32. Minnesota Statutes 2020, section 256B.5012, is amended by adding a subdivision to read:

Subd. 21. **Spending requirements.** (a) At least 80 percent of the marginal increase in revenue resulting from implementation of the rate increases under subdivisions 19 and 20 for services rendered on or after the day of implementation of the increases must be used to increase compensation-related costs for employees directly employed by the facility.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to implementation of the rate increases.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new rate methodology or any rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan."

Page 51, after line 8, insert:

"Sec. 45. Laws 2022, chapter 33, section 1, subdivision 5e, is amended to read:

Subd. 5e. **Inflationary update spending requirement.** (a) At least 80 percent of the marginal increase in revenue from the rate adjustment applied to the service rates calculated under subdivisions 5 and 5b beginning on January 1, 2022, for services rendered between January 1, 2022, and March 31, 2024, must be used to increase compensation-related costs for employees directly employed by the program on or after January 1, 2022.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to January 1, 2022 implementation of the applicable rate adjustment, including retention and recruitment bonuses and tuition reimbursement.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives a rate subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of a rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner or commissioner's representative if an employee believes the employee has not received the compensation-related increase described in the plan.

(e) ~~This subdivision expires June 30, 2024~~ At least 80 percent of the marginal increase in revenue from the rate adjustments applied to service rates calculated under subdivisions 5, 5b, and 5f beginning on January 1, 2023, and on January 1, 2025, for services rendered on or after those dates must be used to increase compensation-related costs for employees directly employed by the program.

EFFECTIVE DATE. This section is effective January 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 55, delete sections 48 and 49 and insert:

"Sec. 50. **RATE INCREASE FOR CERTAIN HOME CARE SERVICES.**

Subdivision 1. **Rate increases.** (a) Effective January 1, 2023, or upon federal approval, whichever is later, the commissioner of human services shall increase payment rates for home health aide visits by 14 percent from the rates in effect on December 31, 2022. The commissioner must apply the annual rate increases under Minnesota Statutes, section 256B.0653, subdivision 8, to the rates resulting from the application of the rate increases under this paragraph.

(b) Effective January 1, 2023, or upon federal approval, whichever is later, the commissioner shall increase payment rates for respiratory therapy under Minnesota Rules, part 9505.0295, subpart 2, item E, and for home health services and home care nursing services under Minnesota Statutes, section 256B.0651, subdivision 2, clauses (1) to (3), except home health aide visits, by 38.8 percent from the rates in effect on December 31, 2022. The commissioner must apply the annual rate increases under Minnesota Statutes, sections 256B.0653, subdivision 8, and 256B.0654, subdivision 5, to the rates resulting from the application of the rate increase under this paragraph.

Subd. 2. **Spending requirements.** (a) At least 80 percent of the marginal increase in revenue for home care services resulting from implementation of the rate increases under this section for

services rendered on or after the day of implementation of the increase must be used to increase compensation-related costs for employees directly employed by the provider to provide the services.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to implementation of the rate increases.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new rate methodology or any rate adjustment subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Sec. 51. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ADDITIONAL DWRS RATE INCREASES.

Subdivision 1. **Additional rate increases.** (a) In addition to the rate increases described in the amendments contained in this act to Minnesota Statutes, section 256B.4914, the commissioner shall further adjust the rates as described in paragraphs (b) to (f) until the net increase in the rates established under Minnesota Statutes, section 256B.4914, as amended in this act, and under this section are equivalent to a three-year appropriation of \$253,001,000 for fiscal years 2023, 2024, and 2025. The commissioner shall apply the rate changes in this section after applying other changes contained in this act. The commissioner shall apply the rate changes in this section in the order presented in the following paragraphs. If the three-year appropriation target is reached after applying the provisions of a paragraph, the commissioner shall not apply the provisions in the remaining paragraphs.

(b) Notwithstanding Minnesota Statutes, section 256B.4914, subdivision 5, paragraph (b), clause (2), as added by amendment in this act, on January 1, 2023, the commissioner shall adjust the data used to update the base wage index by using up to the most recently available wage data by SOC code from the Bureau of Labor Statistics. If the estimated cost of fully implementing the rate adjustment in this paragraph exceeds the three-year appropriation target, the commissioner shall proportionately reduce the estimated change to the wage index to reach the target.

(c) Notwithstanding Minnesota Statutes, section 256B.4914, subdivision 5b, clause (2), as added by amendment in this act, on January 1, 2023, the commissioner shall adjust the data used to update the client and programming support, transportation, and program facility cost component values by using up to the most recently available data. If the estimated cost of fully implementing the rate adjustment in this paragraph exceeds the three-year appropriation target, the commissioner shall proportionately reduce the estimated change to component values to reach the target.

(d) Notwithstanding the provision in Minnesota Statutes, section 256B.4914, subdivision 5f, paragraph (a), as added by amendment in this act, requiring a biennial update of the competitive workforce factor, on January 1, 2024, the commissioner shall update the competitive workforce factor. If the estimated cost of fully implementing the rate adjustment in this paragraph exceeds the three-year appropriation target, the commissioner shall cap the increase in the competitive workforce factor to reach the target.

(e) Notwithstanding the provision in Minnesota Statutes, section 256B.4914, subdivision 5, paragraph (b), as amended in this act, on January 1, 2024, the commissioner shall update the base wage index in Minnesota Statutes, section 256B.4914, subdivision 5a, based on the most recently available wage data by SOC from the Bureau of Labor Statistics. If the estimated cost of fully implementing the rate adjustment in this paragraph exceeds the three-year appropriation target, the commissioner shall proportionately reduce the estimated change to component values to reach the target.

(f) Notwithstanding the provision in Minnesota Statutes, section 256B.4914, subdivision 5b, as amended in this act, on January 1, 2024, the commissioner shall update the client and programming support, transportation, and program facility cost component values based on the most recently available wage data by SOC from the Bureau of Labor Statistics. If the estimated cost of fully implementing the rate adjustment in this paragraph exceeds the three-year appropriation target, the commissioner shall proportionately reduce the estimated change to component values to reach the target.

Subd. 2. **Spending requirements.** A program or provider that receives a rate increase under this section is subject to the requirements of Minnesota Statutes, section 256B.4914, subdivision 5e."

Page 68, after line 20, insert:

"Subd. 3. **Spending requirements.** (a) At least 80 percent of the marginal increase in revenue from the implementation of adjusted phase-in proportions under this section, including any concurrent or subsequent adjustments to the base wage indices, for services rendered on or after the day of implementation of the modified phase-in proportion or applicable adjustment to the base wage

indices must be used to increase compensation-related costs for employees directly employed by the provider.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of adjusted phase-in proportions under this section, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan."

Page 83, after line 19, insert:

"Sec. 9. NONEMERGENCY MEDICAL TRANSPORTATION SPENDING REQUIREMENTS.

(a) At least 80 percent of the marginal increase in revenue from the implementation of rate increases in this act under Minnesota Statutes, section 256B.0625, subdivision 17, paragraph (m), clauses (3) to (5), for services rendered on or after the day of implementation of the rate increases must be used to increase compensation-related costs for drivers.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of the rate increases.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this section, including how that money was or will be distributed to increase compensation-related costs for drivers. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all drivers have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if a driver has not received the compensation-related increase described in the plan."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Isaacson moved to amend S.F. No. 4410 as follows:

Page 75, after line 32, insert:

"Sec. 3. Minnesota Statutes 2020, section 256B.0625, is amended by adding a subdivision to read:

Subd. 5n. **Conversion therapy.** Conversion therapy, as defined in section 214.078, is not covered."

Page 384, after line 19, insert:

"Section 1. **[214.078] PROTECTION FROM CONVERSION THERAPY.**

Subdivision 1. **Definition.** "Conversion therapy" means any practice of a mental health practitioner as defined in section 245I.04, subdivision 4, or mental health professional as defined in section 245I.04, subdivision 2, that seeks to change an individual's sexual orientation or gender identity, including efforts to change behaviors or gender expressions or to eliminate or reduce sexual

or romantic attractions or feelings toward individuals of the same gender. Conversion therapy does not include counseling that provides assistance to an individual undergoing gender transition, or counseling that provides acceptance, support, and understanding of an individual or facilitates an individual's coping, social support, and identity exploration and development, including sexual-orientation-neutral interventions to prevent or address unlawful conduct or unsafe sexual practices, as long as the counseling does not seek to change an individual's sexual orientation or gender identity.

Subd. 2. **Prohibition.** (a) No mental health practitioner or mental health professional shall engage in conversion therapy with a client younger than 18 years of age or with a vulnerable adult as defined in section 626.5572, subdivision 21.

(b) Conversion therapy attempted by a mental health practitioner or mental health professional with a client younger than 18 years of age or with a vulnerable adult shall be considered unprofessional conduct that may subject the mental health practitioner or mental health professional to disciplinary action by the health-related licensing board that regulates the mental health practitioner or mental health professional.

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

Senator Benson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Isaacson 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 36 and nays 29, as follows:

Those who voted in the affirmative 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 affirmative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

Those who voted in the negative were:

Bigham	Cwodzinski	Eken	Hoffman	Klein
Carlson	Dibble	Fateh	Isaacson	Kunesh
Champion	Dziedzic	Frentz	Johnson Stewart	Latz
Clausen	Eaton	Hawj	Kent	López Franzen

Marty
McEwen

Newton
Pappas

Putnam
Rest

Torres Ray
Wiger

Wiklund

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, and Torres Ray.

So the decision of the President was sustained.

Senator Wiklund moved to amend S.F. No. 4410 as follows:

Page 297, after line 28, insert:

"Sec. 11. [145.409] REPRODUCTIVE HEALTH.

Subdivision 1. **Short title.** This section may be cited as the "Protect Reproductive Options Act."

Subd. 2. **Reproductive health rights.** Every individual has a fundamental right to make autonomous decisions about the individual's own reproductive health. Every individual has the fundamental right to:

(1) choose or refuse reproductive health care;

(2) choose or refuse contraception or sterilization; and

(3) choose to continue a pregnancy and give birth to a child, or choose to obtain an abortion.

Subd. 3. **Right to privacy recognized.** Every individual has a fundamental right of privacy with respect to personal reproductive decisions. The state shall not deny, restrict, or interfere with an individual's autonomous decision to exercise their fundamental reproductive health rights under subdivision 2."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, and Torres Ray.

Those who voted in the negative were:

Abeler	Benson	Dahms	Duckworth	Gazelka
Anderson	Chamberlain	Dornink	Eichorn	Goggin
Bakk	Coleman	Draheim	Eken	Housley

Howe	Koran	Nelson	Rosen	Westrom
Ingebrigtsen	Lang	Newman	Ruud	
Jasinski	Limmer	Osmek	Senjem	
Johnson	Mathews	Pratt	Utke	
Kiffmeyer	Miller	Rarick	Weber	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, and Ingebrigtsen.

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

President Osmek resumed the Chair.

S.F. No. 4410 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 61 and nays 5, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, Limmer, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, and Torres Ray.

Those who voted in the negative were:

Eaton	Marty	McEwen	Murphy	Pappas
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So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 4091: A bill for an act relating to state government; appropriating money for commerce, jobs, and economic growth; making policy and technical changes; authorizing frontline worker premium payments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 116C.779, subdivision 1; 116J.035, by adding a subdivision; 116J.55, subdivisions 1, 5, 6; 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 216B.096, subdivision 11; 216B.24, by adding a subdivision; 216B.243, subdivision 3b; 216B.50, subdivision

1; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 237.55; 268.18, by adding a subdivision; 326B.106, subdivision 4; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.36, subdivision 7, by adding a subdivision; 326B.42, subdivisions 1b, 1c; 326B.437; 326B.46, subdivision 2; Minnesota Statutes 2021 Supplement, sections 116C.7792; 216C.376, subdivision 5; 326B.153, subdivision 1; Laws 2020, chapter 118, section 5, subdivision 1; Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1; Laws 2021, First Special Session chapter 10, article 1, sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3, 4, 5, 7; article 3, section 14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116L; 216B; 216H; 465; repealing Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3.

President Osmek called Senator Mathews to preside.

Senator Champion moved to amend S.F. No. 4091 as follows:

Page 51, delete section 13

Page 54, delete section 14

Reorder the sections in sequence

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 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

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

President Osmek resumed the Chair.

Senator Champion moved to amend S.F. No. 4091 as follows:

Page 57, delete section 21

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, Latz, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Duckworth, Gazelka, Ingebrigtsen, and Tomassoni.

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

Senator McEwen moved to amend S.F. No. 4091 as follows:

Pages 64 to 65, delete sections 8 to 10

Page 66, delete sections 11 and 12

Renumber the sections in sequence

Amend the title accordingly

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

Senator McEwen moved to amend S.F. No. 4091 as follows:

Page 55, after line 21, insert:

"Sec. 15. [181.987] COVENANTS NOT TO COMPETE VOID IN EMPLOYMENT AGREEMENTS; SUBSTANTIVE PROTECTIONS OF MINNESOTA LAW APPLY.

Subdivision 1. **Definitions.** (a) "Covenant not to compete" means an agreement between an employee and employer that restricts the employee, after termination of the employment, from performing:

(1) work for another employer for a specified period of time;

(2) work in a specified geographical area; or

(3) work for another employer in a capacity that is similar to the employee's work for the employer that is party to the agreement.

(b) "Employer" means any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.

Subd. 2. **Covenants not to compete void and unenforceable.** (a) Subject to the exception in paragraph (b), any covenant not to compete contained in a contract or agreement is void and unenforceable.

(b) Notwithstanding paragraph (a), a covenant not to compete between an employer and employee is valid and enforceable if:

(1) the employee earned an annual salary from the employer at least equal to the median family income for a four-person family in Minnesota, as determined by the United States Census Bureau, for the most recent year available at the time of the employee's termination; and

(2) the employer agrees to pay the employee on a pro rata basis during the entirety of the restricted period of the covenant not to compete at least 50 percent of the employee's highest annualized base salary paid by the employer within the two years preceding the employee's separation from employment.

(c) Nothing in this subdivision shall be construed to render void or unenforceable any other provisions in a contract or agreement containing a void or unenforceable covenant not to compete.

(d) In addition to injunctive relief and any other remedies available, a court may award an employee who is enforcing rights under this section reasonable attorney fees.

Subd. 3. **Choice of law; venue.** (a) An employer must not require an employee who primarily resides and works in Minnesota, as a condition of employment, to agree to a provision in an agreement or contract that would do either of the following:

(1) require the employee to adjudicate outside of Minnesota a claim arising in Minnesota; or

(2) deprive the employee of the substantive protection of Minnesota law with respect to a controversy arising in Minnesota.

(b) Any provision of a contract or agreement that violates paragraph (a) is voidable at any time by the employee and if a provision is rendered void at the request of the employee, the matter shall be adjudicated in Minnesota and Minnesota law shall govern the dispute.

(c) In addition to injunctive relief and any other remedies available, a court may award an employee who is enforcing rights under this section reasonable attorney fees.

(d) For purposes of this section, adjudication includes litigation and arbitration.

(e) This subdivision shall not apply to a contract with an employee who is in fact individually represented by legal counsel in negotiating the terms of an agreement to designate either the venue or forum in which a controversy arising from the employment contract may be adjudicated or the choice of law to be applied.

Subd. 4. Severability. If any provision of this section is found to be unconstitutional and void, the remaining provisions of this section are valid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts and agreements entered into on or after that date."

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 29 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, and Johnson Stewart.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Gazelka, Ingebrigtsen, Miller, and Tomassoni.

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

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

Senator Bigham moved to amend S.F. No. 4091 as follows:

Page 55, after line 21, insert:

"Sec. 15. [181.987] USE OF SKILLED AND TRAINED CONTRACTOR WORKFORCES AT PETROLEUM REFINERIES.

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

(b) "Contractor" means a vendor that enters into or seeks to enter into a contract with an owner or operator of a petroleum refinery to perform construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the petroleum refinery. Contractor includes all contractors or subcontractors of any tier performing work as described in this paragraph at the site of the petroleum refinery. Contractor does not include employees of the owner or operator of a petroleum refinery.

(c) "Registered apprenticeship program" means an apprenticeship program providing to each trainee combined classroom and on-the-job training under the direct and close supervision of a highly skilled worker in an occupation recognized as an apprenticeable occupation registered with the Department of Labor and Industry under chapter 178 or with the United States Department of Labor Office of Apprenticeship or a recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.

(d) "Skilled and trained workforce" means a workforce in which the employees of the contractor or subcontractor of any tier working at the site of the petroleum refinery meet one of the following criteria:

(1) are currently registered as apprentices in a registered apprenticeship program in the applicable trade;

(2) have graduated from a registered apprenticeship program in the applicable trade; or

(3) have completed all of the classroom training and work hour requirements needed to graduate from the registered apprenticeship program their employer participates in.

(e) "Petroleum refinery" means a facility engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oil, lubricants, or other products through distillation of petroleum or through redistillation, cracking, or reforming of unfinished petroleum derivatives.

(f) "Apprenticeable occupation" means any trade, form of employment, or occupation approved for apprenticeship by the United States Secretary of Labor or the commissioner of labor and industry.

(g) "Original equipment manufacturer" or "OEM" means and refers to organizations that manufacture or fabricate equipment for sale directly to purchasers or other resellers.

Subd. 2. Use of contractors by owner or operator; requirement. (a) An owner or operator of a petroleum refinery shall, when contracting with contractors for the performance of construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the petroleum refinery, require that the contractors performing that work, and any

subcontractors of any tier, use a skilled and trained workforce when performing all work at the site of the petroleum refinery.

(b) The requirement under this subdivision applies only when each contractor and subcontractor of any tier is performing work at the site of the petroleum refinery.

(c) The requirement under this subdivision does not apply to contractors or subcontractors hired to perform OEM work to comply with equipment warranty requirements.

Subd. 3. **Skilled and trained workforce compliance thresholds; timeline.** A contractor's workforce meets the requirements of this section if the following skilled and trained workforce percentage thresholds are achieved by the dates provided as follows:

(1) by October 15, 2023, 65 percent of the contractor's workforce working at the site of the petroleum refinery meets the definition of a skilled and trained workforce;

(2) by October 15, 2024, 75 percent of the contractor's workforce working at the site of the petroleum refinery meets the definition of a skilled and trained workforce; and

(3) by October 15, 2025, 85 percent of the contractor's workforce working at the site of the petroleum refinery meets the definition of a skilled and trained workforce.

Subd. 4. **Penalties.** The Division of Labor Standards shall receive complaints of violations of this section. The commissioner of labor and industry shall fine an owner, operator, contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each violation of the requirements in this section. Each shift on which a violation of this section occurs shall be considered a separate violation. This penalty is in addition to any penalties provided under section 177.27, subdivision 7. In determining the amount of a civil penalty under this subdivision, the appropriateness of the penalty to the size of the violator's business and the gravity of the violation shall be considered.

Subd. 5. **Civil actions.** A person injured by a violation of this section may bring a civil action for damages against an owner or operator of a petroleum refinery. The court may award a prevailing plaintiff under this subdivision damages, attorney fees, costs, disbursements, and any other appropriate relief as otherwise provided by law.

EFFECTIVE DATE. This section is effective October 15, 2023."

Renumber the sections in sequence

Amend the title accordingly

CALL OF THE SENATE

Senator Bigham imposed a call of the Senate for the balance of the proceedings on the Bigham amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Bigham amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Johnson Stewart, Latz, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Benson, Gazelka, and Ingebrigtsen.

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

Senator Marty moved to amend S.F. No. 4091 as follows:

Page 68, after line 15, insert:

"ARTICLE 6

CATALYTIC CONVERTER REGULATION

Section 1. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 1b, is amended to read:

Subd. 1b. **Purchase or acquisition record required.** ~~(a) Any person who purchases or receives a catalytic converter must comply with this section.~~

~~(b)~~ Every scrap metal dealer, including an agent, employee, or representative of the dealer, shall create a permanent record written in English, using an electronic record program at the time of each purchase or acquisition of scrap metal. The record must include:

(1) a complete and accurate account or description, including the weight if customarily purchased by weight, of the scrap metal purchased or acquired;

(2) the date, time, and place of the receipt of the scrap metal purchased or acquired and a unique transaction identifier;

(3) a photocopy or electronic scan of the seller's proof of identification including the identification number;

(4) the amount paid and the number of the check or electronic transfer used to purchase the scrap metal;

(5) the license plate number and description of the vehicle used by the person when delivering the scrap metal, including the vehicle make and model, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

(6) a statement signed by the seller, under penalty of perjury as provided in section 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances and the seller has the right to sell it;

(7) a copy of the receipt, which must include at least the following information: the name and address of the dealer, the date and time the scrap metal was received by the dealer, an accurate description of the scrap metal, and the amount paid for the scrap metal;

(8) in order to purchase a detached catalytic converter, the vehicle identification number of the car it was removed from or as an alternative any numbers, bar codes, stickers, or other unique markings that result whether resulting from the pilot project created under subdivision 2b or some other source. The alternative number must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement; and

(9) ~~the name of the person who removed the catalytic converter~~ identity, or identifier, of the employee completing the transaction.

~~(b)~~ (b) The record, as well as the scrap metal purchased or received, shall at all reasonable times be open to the inspection of any properly identified law enforcement officer.

~~(c)~~ (c) Except for the purchase of detached catalytic converters, no record is required for property purchased from merchants, manufacturers, salvage pools, insurance companies, rental car companies, financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having an established place of business, or of any goods purchased at open sale from any bankrupt stock, but a receipt as required under paragraph (b), clause (7), shall be obtained and kept by the person, which must be shown upon demand to any properly identified law enforcement officer.

~~(d)~~ (d) The dealer must provide a copy of the receipt required under paragraph (b), clause (7), to the seller in every transaction.

~~(e)~~ (e) Law enforcement agencies in the jurisdiction where a dealer is located may conduct regular and routine inspections to ensure compliance, refer violations to the city or county attorney for criminal prosecution, and notify the registrar of motor vehicles.

~~(f)~~ (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is required by law or made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of

the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

Sec. 2. Minnesota Statutes 2020, section 325E.21, subdivision 2, is amended to read:

Subd. 2. **Retention required.** Records required to be maintained by subdivision 1a ~~or~~ 1b, 11, 12, and 13, shall be retained by the scrap metal dealer for a period of three years.

Sec. 3. Minnesota Statutes 2020, section 325E.21, subdivision 4, is amended to read:

Subd. 4. **Registration required.** (a) Every scrap metal dealer shall register annually with the commissioner. The names and addresses of registered scrap metal dealers is public data.

(b) The scrap metal dealer shall pay to the commissioner of public safety a \$50 annual fee.

Sec. 4. Minnesota Statutes 2020, section 325E.21, subdivision 5, is amended to read:

Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials provided by the superintendent of the Bureau of Criminal Apprehension under section 299C.25 and ensure that all employees do so as well. A scrap metal dealer engaged in the purchase of used catalytic converters shall ensure employees handling catalytic converter transactions are specifically trained and familiar with the additional requirements for catalytic converters.

Sec. 5. Minnesota Statutes 2020, section 325E.21, subdivision 6, is amended to read:

Subd. 6. **Criminal penalty.** (a) A scrap metal dealer, or the agent, employee, or representative of the dealer, who intentionally violates a provision of this section, except for subdivision 11 to 13, is guilty of a misdemeanor.

(b) A person who violates subdivision 11 to 13 is guilty of a:

(1) misdemeanor for possession or purchase of one catalytic converter;

(2) gross misdemeanor for possession or purchase of two catalytic converters; and

(3) felony for possession or purchase of three or more catalytic converters.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful for a person to possess a used catalytic converter that is not attached to a motor vehicle except when:

(1) the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed or an alternative number to the vehicle identification number; or

(2) the converter has been EPA certified for reuse as a replacement part.

(b) If an alternative number to the vehicle identification number is used, it must be under a numbering system that can be immediately linked to the vehicle identification number by law enforcement. The marking of the alternative number may be made in any permanent manner, including but not limited to an engraving or use of permanent ink. The marking must clearly and legibly indicate the date removed and the vehicle identification number or the alternative number and the method by which law enforcement can link the converter to the vehicle identification number.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 12. **Prohibition.** It is unlawful for a person who is not a registered scrap metal dealer to purchase a used catalytic converter that is not EPA certified for reuse as a replacement part except when the catalytic converter is attached to a motor vehicle. A used catalytic converter that is EPA certified for reuse as a replacement part may be sold to a person or business for reuse as a replacement part for a motor vehicle when the requirements of subdivision 11 are met.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 13. **Investigation; enforcement.** The Department of Commerce's Fraud Bureau is responsible for criminal investigation and enforcement of possession and purchasing of used catalytic converters.

Sec. 9. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 14. **Purchase of catalytic converters.** (a) It is unlawful for a scrap metal dealer to purchase a used catalytic converter not attached to a motor vehicle unless the converter is marked as required under subdivision 11 and the seller provides a copy of the vehicle's title or registration in order to demonstrate the seller's ownership interest in the property. A bona fide business engaged in vehicle dismantling, vehicle demolishing, scrap metal recycling, or automotive repair services may remove a converter as part of auto repair work or auto recycling without a copy of the vehicle's title or registration, if the business provides:

(1) the identity of the seller's business and a written or electronic signature of the seller;

(2) an itemized list of each detached catalytic converter being sold that includes the donor vehicle identification number or a unique alternative number that can be readily linked to the vehicle identification number by law enforcement; and

(3) the date of the transaction.

The registered scrap metal dealer purchasing the catalytic converters must keep the transaction record, along with the identity and signature of the employee completing the transaction

(b) Notwithstanding paragraph (a), a scrap metal dealer may purchase a catalytic converter from a person possessing an old vehicle that is no longer registered and titled without a copy of the

registration or title, if the person has an affidavit from the local law enforcement agency that the agency has verified the person's ownership prior to the removal of the converter from the vehicle.

(c) A scrap metal dealer who purchases a used catalytic converter not attached to a motor vehicle must record the information received under this subdivision and subdivision 11 and make the information available upon request to law enforcement and effective beginning August 1, 2022, enter the information into an electronic database available to a law enforcement agency as approved by the commissioner of public safety.

(d) A scrap metal dealer is prohibited from processing, selling, or removing a catalytic converter from the dealer's premises for at least seven days after the catalytic converter acquisition by the scrap metal dealer.

(e) A payment for a catalytic converter must not be made until at least five days after sale to the scrap metal dealer. Payment must be sent by check to the seller's address or a bank account in the seller's name.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

Subd. 3. Weapons, telephone cloning paraphernalia, automated sales suppression devices, catalytic converters, and bullet-resistant vests. Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime; for any offense of this chapter or chapter 624, or for a violation of an order for protection under section 518B.01, subdivision 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Telephone cloning paraphernalia used in a violation of section 609.894, and automated sales suppression devices, phantom-ware, and other devices containing an automated sales suppression or phantom-ware device or software used in violation of section 289A.63, subdivision 12, are contraband and must be summarily forfeited to the appropriate agency upon a conviction. A catalytic converter possessed in violation of section 325E.21 is contraband and must be summarily forfeited to the appropriate agency upon a conviction.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to crimes committed on or after that date."

Renumber the articles in sequence

Amend the title accordingly

Senator Pratt questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Marty 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 35 and nays 29, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, and Tomassoni.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Clausen, Fateh, and Latz.

So the decision of the President was sustained.

Senator Frentz moved to amend S.F. No. 4091 as follows:

Page 8, after line 26, insert:

"Sec. 6. Minnesota Statutes 2020, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

- (1) solar;
- (2) wind;
- (3) hydroelectric with a capacity of less than 100 megawatts;
- (4) hydrogen, ~~provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or~~
- (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility. "Total retail electric sales" does not include the sale of hydroelectricity supplied by a federal power marketing administration or other federal agency, regardless of whether the sales are directly to a distribution utility or are made to a generation and transmission utility and pooled for further allocation to a distribution utility.

(d) "Carbon-free" means a technology that generates electricity without emitting carbon dioxide.

(e) "Area of concern for environmental justice" means an area in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following conditions:

(1) 50 percent or more of the population is nonwhite;

(2) 40 percent or more of the households have an income at or below 185 percent of the federal poverty level; or

(3) is within Indian country, as defined in United State Code, title 18, section 1151.

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

Sec. 7. Minnesota Statutes 2020, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** ~~(a) Except as provided in paragraph (b),~~ Each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

- | | | |
|-----|-------------|---------------------------|
| (1) | 2012 | 12 percent |
| (2) | 2016 | 17 percent |
| (3) | 2020 | 20 percent |
| (4) | 2025 | 25 40 percent. |
| (5) | <u>2035</u> | <u>55</u> percent. |

~~(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:~~

- | | | |
|-----|------|------------|
| (1) | 2010 | 15 percent |
|-----|------|------------|

(2)	2012	18 percent
(3)	2016	25 percent
(4)	2020	30 percent.

~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.~~

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

Sec. 8. Minnesota Statutes 2020, section 216B.1691, subdivision 2b, is amended to read:

Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay the implementation of a standard obligation under subdivision 2a, 2f, or 2g, in whole or in part, if the commission determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider:

(1) the impact of implementing the standard on its customers' utility costs, including the economic and competitive pressure on the utility's customers;

(2) the environmental costs that would be incurred as a result of a delay or modification, based on the full range of environmental cost values established in section 216B.2422, subdivision 3;

~~(2)~~ (3) the effects of implementing the standard on the reliability of the electric system;

~~(3)~~ (4) technical advances or technical concerns;

~~(4)~~ (5) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals;

~~(5)~~ (6) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility;

~~(6)~~ (7) transmission constraints preventing delivery of service; ~~and~~

~~(7)~~ (8) other statutory obligations imposed on the commission or a utility; and

(9) impacts on areas of concern for environmental justice.

The commission may modify or delay implementation of a standard obligation under clauses (1) to ~~(3)~~ (4) only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The commission may modify or delay implementation of a standard obligation under clauses ~~(4)~~ (5) to ~~(6)~~ (7) only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

(b) When evaluating transmission capacity constraints under paragraph (a), clause (7), the commission must consider whether the utility has:

(1) undertaken reasonable measures under the utility's control and consistent with the utility's obligations under local, state, and federal laws and regulations, and the utility's obligations as a member of a regional transmission organization or independent system operator, to acquire sites, necessary permit approvals, and necessary equipment to develop and construct new transmission lines or upgrade existing transmission lines to transmit electricity generated by eligible energy technologies; and

(2) taken all reasonable operational measures to maximize cost-effective electricity delivery from eligible energy technologies in advance of transmission availability.

~~(b)~~ (c) When considering whether to delay or modify implementation of a standard obligation, the commission must give due consideration to a preference for electric generation through use of eligible energy technology and to the achievement of the standards set by this section.

~~(e)~~ (d) An electric utility requesting a modification or delay in the implementation of a standard must file a plan to comply with its standard obligation in the same proceeding ~~that~~ in which it is requesting requests the delay.

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

Sec. 9. Minnesota Statutes 2020, section 216B.1691, subdivision 2d, is amended to read:

Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing the criteria and standards ~~by which it will~~ used to measure an electric utility's efforts to meet the renewable energy ~~objectives of subdivision 2~~ standards under subdivisions 2a, 2f, and 2g, and to determine whether the utility is ~~making the required good faith effort~~ achieving the standards. In this order, the commission shall include criteria and standards that protect against undesirable impacts on the reliability of the utility's system and economic impacts on the utility's ratepayers and that consider technical feasibility.

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

Sec. 10. Minnesota Statutes 2020, section 216B.1691, subdivision 2e, is amended to read:

Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must submit to the commission and the legislative committees with primary jurisdiction over energy policy a report containing an estimation of the rate impact of activities of the electric utility necessary to comply with this section. In consultation with the Department of Commerce, the commission shall determine a uniform reporting system to ensure that individual utility reports are consistent and comparable, and shall, by order, require each electric utility subject to this section to use that reporting system. The rate impact estimate must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall also be for the impact on the electric utility's retail rates. Those activities include, without limitation, energy purchases, generation facility acquisition and construction, and transmission improvements. ~~An initial report must be submitted within 150 days of May 28, 2011. After the initial report,~~ A report must be updated and submitted as part of each integrated resource plan or plan modification filed by the electric utility under section 216B.2422. The reporting obligation of an electric utility under this subdivision expires December 31, 2025, ~~for an electric utility subject to subdivision 2a, paragraph (a), and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b)~~ 2040.

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

Sec. 11. Minnesota Statutes 2020, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and ~~2b~~ 2g, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

~~(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file a report with the commission reporting its progress in achieving the solar energy standard established under this subdivision.~~

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

Sec. 12. Minnesota Statutes 2020, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2g. **Carbon-free standard.** In addition to the requirements under subdivisions 2a and 2f, each electric utility must generate or procure sufficient electricity generated from a carbon-free energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated from carbon-free energy technologies by the end of the year indicated:

- | | | |
|------------|-------------|---------------------|
| <u>(1)</u> | <u>2025</u> | <u>65 percent</u> |
| <u>(2)</u> | <u>2030</u> | <u>80 percent</u> |
| <u>(3)</u> | <u>2035</u> | <u>90 percent</u> |
| <u>(4)</u> | <u>2040</u> | <u>100 percent.</u> |

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

Sec. 13. Minnesota Statutes 2020, section 216B.1691, subdivision 3, is amended to read:

Subd. 3. Utility plans filed with commission. (a) Each electric utility shall report on its plans, activities, and progress with regard to the ~~objectives and standards of~~ standard obligations under this section in its filings under section 216B.2422 or in a separate report submitted to the commission every two years, whichever is more frequent, demonstrating to the commission the utility's effort to comply with this section. In its resource plan or a separate report, each electric utility shall provide a description of:

(1) the status of the utility's renewable energy mix relative to the ~~objective and standards~~ standard obligations;

(2) efforts taken to meet the ~~objective and standards~~ standard obligations;

(3) any obstacles encountered or anticipated in meeting the ~~objective or standards;~~ and standard obligations;

(4) potential solutions to the obstacles;

(5) the number of Minnesotans employed to construct facilities designed to meet the utility's standard obligations under this section;

(6) efforts taken to retain and retrain workers employed at electric generating facilities that the utility has ceased operating or designated to cease operating for new positions constructing or operating facilities to meet a utility's standard obligation;

(7) impacts of facilities designed to meet the utility's standard obligations under this section on areas of concern for environmental justice; and

(8) efforts to increase the diversity of both its workforce and vendors.

(b) The commissioner shall compile the information provided to the commission under paragraph (a), and report to the chairs of the house of representatives and senate committees with jurisdiction over energy and environment policy issues as to the progress of utilities in the state, including the progress of each individual electric utility, in increasing the amount of renewable energy provided to retail customers, with any recommendations for regulatory or legislative action, by January 15 of each odd-numbered year.

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

Sec. 14. Minnesota Statutes 2020, section 216B.1691, subdivision 4, is amended to read:

Subd. 4. **Renewable energy credits.** (a) To facilitate compliance with this section, the commission, by rule or order, shall establish by January 1, 2008, a program for tradable renewable energy credits for electricity generated by eligible energy technology. The credits must represent energy produced by an eligible energy technology, as defined in subdivision 1. Each kilowatt-hour of renewable energy credits must be treated the same as a kilowatt-hour of eligible energy technology generated or procured by an electric utility if it is produced by an eligible energy technology. The program must permit a credit to be used only once. The program must treat all eligible energy technology equally and shall not give more or less credit to energy based on the state where the energy was generated or the technology with which the energy was generated. The commission must determine the period in which the credits may be used for purposes of the program.

(b) In lieu of generating or procuring energy directly to satisfy ~~the eligible energy technology objective or a standard of obligation under~~ this section, an electric utility may utilize renewable energy credits allowed under the program to satisfy the ~~objective or standard~~.

(c) The commission shall facilitate the trading of renewable energy credits between states.

(d) The commission shall require all electric utilities to participate in a commission-approved credit-tracking system or systems. Once a credit-tracking system is in operation, the commission shall issue an order establishing protocols for trading credits.

~~(e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.~~

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

Sec. 15. Minnesota Statutes 2020, section 216B.1691, subdivision 5, is amended to read:

Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel combustion through fuel blending or co-firing under paragraph (b) may only count toward a utility's ~~objectives or standards~~ standard obligation if the generation facility:

(1) was constructed in compliance with new source performance standards promulgated under the federal Clean Air Act, United States Code, title 42, section 7401 et seq., for a generation facility of that type; or

(2) employs the maximum achievable or best available control technology available for a generation facility of that type.

(b) An eligible energy technology may blend or co-fire a fuel listed in subdivision 1, paragraph (a), clause (5), with other fuels in the generation facility, but only the percentage of electricity that is attributable to a fuel listed in that clause can be counted toward an electric utility's ~~renewable energy objectives~~ standard obligation.

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

Sec. 16. Minnesota Statutes 2020, section 216B.1691, subdivision 7, is amended to read:

Subd. 7. **Compliance.** The commission must regularly investigate whether an electric utility is in compliance with its ~~good faith objective under subdivision 2 and standard obligation under subdivision subdivisions 2a, 2f, and 2g.~~ If the commission finds noncompliance, it may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance. If an electric utility fails to comply with an order under this subdivision, the commission may impose a financial penalty on the electric utility in an amount not to exceed the estimated cost of the electric utility to achieve compliance. The penalty may not exceed the lesser of the cost of constructing facilities or purchasing credits. The commission must deposit financial penalties imposed under this subdivision in the energy and conservation account established in the special revenue fund under section 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any other authority of the commission to enforce this section.

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

Sec. 17. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its statutory authority to ensure this section is implemented ~~to maximize in a manner that maximizes net benefits to all Minnesota citizens, balancing~~ throughout the state, including but not limited to:

(1) the creation of high-quality jobs in Minnesota paying wages that support families;

(2) recognition of the rights of workers to organize and unionize;

(3) ensuring that workers have the necessary tools, opportunities, and economic assistance to adapt successfully during the energy transition, particularly in areas of concern for environmental justice;

(4) ensuring that all Minnesotans share the benefits of clean and renewable energy, and the opportunity to participate fully in the clean energy economy;

(5) ensuring that statewide air emissions are reduced, particularly in areas of concern for environmental justice; and

(6) the provision of affordable electric service to Minnesotans, particularly to low-income consumers.

(b) The commission must also implement this section in a manner that balances factors such as local ownership of or participation in energy production, development and ownership of eligible energy technology facilities by independent power producers, Minnesota utility ownership of eligible energy technology facilities, the costs of energy generation to satisfy the renewable ~~standard~~ and carbon-free standards, and the reliability of electric service to Minnesotans.

(c) When making investments to meet the requirements under this section, utilities are encouraged to locate new energy generating facilities in Minnesota communities where fossil-fuel generating plants have been retired or are scheduled for retirement.

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

Sec. 18. Minnesota Statutes 2020, section 216B.1691, subdivision 10, is amended to read:

Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition process established by the commission prior to June 1, 2007, shall not apply to a utility for the construction, ownership, and operation of generation facilities used to satisfy the requirements of this section unless, upon a finding that it is in the public interest, the commission issues an order on or after June 1, 2007, that requires compliance by a utility with a competitive resource acquisition process. A utility that owns a nuclear generation facility and intends to construct, own, or operate facilities under this section shall file with the commission ~~on or before March 1, 2008; as part of the utility's filing under section 216B.2422~~ a renewable energy plan setting forth the manner in which the utility proposes to meet the requirements of this section. ~~The utility shall update the plan as necessary in its filing under section 216B.2422.~~ The commission shall approve the plan unless it determines, after public hearing and comment, that the plan is not in the public interest. As part of its determination of public interest, the commission shall consider the plan's impact on balancing the state's interest in:

(1) promoting the policy of economic development in rural areas through the development of renewable energy projects, as expressed in subdivision 9;

(2) maintaining the reliability of the state's electric power grid; and

(3) minimizing cost impacts on ratepayers.

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

Page 28, after line 13, insert:

"Sec. 35. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

(c) The commission may require, as a condition of permit issuance, that the recipient of a site permit to construct a large electric power generating plant, including all of the permit recipient's construction contractors and subcontractors on the project, pay no less than the prevailing wage rate, as defined in section 177.42. The commission may also require, as a condition of modifying a site permit for a large electric power generating plant repowering project as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit, including all of the permit recipient's construction contractors and subcontractors on the repowering project, pay no less than the prevailing wage rate as defined in section 177.42.

(d) When deciding whether to require payment of no less than the prevailing wage rate under paragraph (c), the commission must consider relevant factors including:

(1) the direct and indirect economic impact of construction; and

(2) the quality, efficiency, and safety of construction.

Sec. 36. Minnesota Statutes 2020, section 216F.04, is amended to read:

216F.04 SITE PERMIT.

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline for cause.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

(e) The commission may require, as a condition of permit issuance, that the recipient of a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts, including all of the permit recipient's construction contractors and subcontractors on the project, pay no less than the prevailing wage rate, as defined in section 177.42. The commission may also require, as a condition of modifying a site permit for an LWECS repowering project as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit, including all of the

permit recipient's construction contractors and subcontractors on the repowering project, pay no less than the prevailing wage rate as defined in section 177.42.

(f) When deciding whether to require payment of no less than the prevailing wage rate under paragraph (e), the commission must consider relevant factors including:

(1) the direct and indirect economic impact of construction; and

(2) the quality, efficiency, and safety of construction."

Page 31, delete section 30 and insert:

"Sec. 45. **REPEALER.**

(a) Minnesota Statutes 2020, section 216B.1691, subdivision 2, is repealed.

(b) Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3, are repealed."

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 29 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, Latz, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, and Tomassoni.

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

Senator Kunesh moved to amend S.F. No. 4091 as follows:

Page 28, after line 13, insert:

"Sec. 22. Minnesota Statutes 2020, section 216G.02, is amended by adding a subdivision to read:

Subd. 1a. **Commissioner.** "Commissioner" means the commissioner of public safety.

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

Sec. 23. Minnesota Statutes 2020, section 216G.02, is amended by adding a subdivision to read:

Subd. 3a. **Pipeline abandonment.** "Pipeline abandonment" means the permanent cessation of service along a portion of or the entirety of a pipeline route in Minnesota.

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

Sec. 24. **[216G.095] PIPELINE ABANDONMENT; RESPONSIBILITIES.**

Subdivision 1. **Notice.** No later than 60 days before the date pipeline operations are scheduled to cease, a pipeline owner must provide each landowner whose land the pipeline traverses written notice of the pipeline owner's intent to cease pipeline operations. The notice must contain the language of this section and section 216G.13.

Subd. 2. **Removal of abandoned pipeline.** (a) Except as provided in subdivision 3, a pipeline owner whose easement interests have reverted to the landowner under section 216G.09 or who has otherwise ceased operating the pipeline is responsible for removing: (1) any and all abandoned property from the landowner's property, including pipelines, pumping, metering, or compressor stations; and (2) all other infrastructure and ancillary equipment remaining on the landowner's property. The pipeline owner bears the financial responsibility for the removal and is liable for any environmental cleanup and remediation costs required under chapter 115B.

(b) A landowner who wants an abandoned pipeline or other ancillary infrastructure and equipment removed from the landowner's land must submit a notarized written removal request to the pipeline owner. The removal request must stipulate the specific infrastructure and equipment to be removed. The landowner must submit a copy of the request to the Public Utilities Commission, the Pollution Control Agency, the Department of Natural Resources, the Board of Soil and Water Resources, and the appropriate county recorder and soil and water conservation district.

(c) Within 60 days of the date a pipeline owner receives a request to remove an abandoned pipeline under paragraph (b), the pipeline owner must purge the abandoned pipeline of all materials transported by the pipeline. The pipeline owner must certify the abandoned pipeline has been purged in a written notice sent to the landowner and the agencies listed in paragraph (b).

(d) A pipeline owner must begin removing an abandoned pipeline and other infrastructure the landowner requested to be removed within 30 days of the date the certification notice under paragraph (a) is sent. The pipeline owner must complete removal within 90 days of the date the certification notice is sent.

(e) A pipeline owner is liable for any releases or damages that result from removing an abandoned pipeline or other infrastructure and equipment.

Subd. 3. **Land restoration.** The pipeline owner is responsible for all reasonable costs associated with the restoration of the land on which an abandoned pipeline's operations were conducted. Restoration includes but is not limited to:

(1) restoring the land contour to control soil erosion, to minimize adverse effects on water quality, complement nearby terrain, and facilitate the prompt conversion of the land to the use desired by the landowner;

(2) replacing topsoil to a depth equal to or greater than the average depth of topsoil on adjoining land of the landowner;

(3) establishing a permanent vegetative cover that is self-sustaining and regenerating, and that protects soil and water quality; and

(4) removing invasive plant species listed by the Department of Natural Resources, the Department of Agriculture, or the county weed inspector of the applicable county. Activities undertaken to control invasive plant species must be effective for five consecutive years, as determined from inspection by the county weed inspector, after which the pipeline owner's responsibility to control invasive plant species is terminated.

Subd. 4. **Abandoned pipeline left in place.** (a) A landowner may relieve a pipeline owner of the requirement to remove an abandoned pipeline that is subject to section 216G.09 or has otherwise been abandoned by submitting a notarized written request to the pipeline owner that the pipeline be left in place. The written request may also address the disposition of other abandoned property, including pumping, metering, or compressor stations, and other infrastructure and ancillary equipment remaining on the landowner's property. A landowner must submit a copy of the request to the Public Utilities Commission, the Pollution Control Agency, the Department of Natural Resources, the Board of Soil and Water Resources, and the appropriate county recorder and soil and water conservation district.

(b) A pipeline owner must comply with all federal regulations governing an abandoned pipeline, including the requirement to purge the abandoned pipeline of all materials transported by the pipeline. Within 90 days of the date a pipeline owner receives notice under paragraph (a), the pipeline owner must submit written certification of compliance with federal regulations regarding abandoned pipelines to the landowner and to the agencies listed in paragraph (a).

(c) A landowner who requests that an abandoned pipeline be left in place under this subdivision assumes all future liabilities associated with the abandoned pipeline and any other infrastructure left in place, including subsequent costs of abandoned pipeline and infrastructure removal, land restoration, and environmental remediation under chapter 115B, except that a pipeline owner is responsible for paying the costs of future monitoring and inspection of both the abandoned pipeline left in place and the abandoned pipeline's surrounding environment.

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

Sec. 25. **[216G.13] ABANDONMENT PLAN.**

Subdivision 1. **Approval required.** A pipeline must not be abandoned in Minnesota unless the commissioner approves a pipeline abandonment plan that meets the requirements of this section. When approving a pipeline abandonment plan, the commissioner may establish conditions that apply to the abandonment process and to the abandoned pipeline for the duration of the time that the abandoned pipeline remains in the ground.

Subd. 2. **Consultation; public hearing required.** When developing a pipeline abandonment plan, a pipeline owner must contact and consult with interested stakeholders, including but not limited to: (1) owners of land or Tribal governments having jurisdiction through treaty rights for land on which the abandoned pipeline is located; (2) state and local government agencies responsible for land development and maintaining the quality of water bodies near the pipeline; and (3) environmental organizations. The pipeline owner must hold at least one public hearing, as determined by the commissioner, to allow stakeholders and members of the public to provide input on the abandonment plan.

Subd. 3. **Plan content.** A pipeline abandonment plan must contain the following information:

(1) a general description of the pipeline and the pipeline's ancillary facilities, including a history of the pipeline's operation and the products the pipeline has carried;

(2) a schedule of the proposed abandonment process;

(3) a map showing the location of the pipeline; right-of-way; pumping stations, storage areas, and other ancillary facilities; water bodies along and near the pipeline route; road, rail, and utility crossings; and environmentally sensitive resources on or near the pipeline route;

(4) a detailed description of the facilities to be abandoned, including:

(i) the pipeline's composition, diameter, thickness, and coatings;

(ii) ancillary pipeline facilities; and

(iii) other facilities on nearby land owned by the pipeline owner;

(5) a detailed description of the land adjacent to the pipeline, including:

(i) land uses;

(ii) natural features, including water bodies, wetlands, karst areas, rare vegetation and animal species; and

(iii) the identity of landowners and land administration agencies and the land parcels each owns or administers;

(6) a history of pipeline ruptures, leaks, and repairs;

(7) facilities to be left in place, including:

(i) locations;

(ii) reasons for leaving the facilities in place;

(iii) mitigation measures that the pipeline owner commits to take in order to reduce environmental and safety risks, including cleaning and plugging pipe, segmenting pipe, and efforts to prevent water movement; and

(iv) an estimate of risks from soil subsidence, pipe collapse, pipe corrosion, soil erosion, and contamination removal;

(8) facilities to be removed, including:

(i) facility locations;

(ii) reasons for removal;

(iii) cleaning and removal procedures; and

(iv) pipeline recycling and reuse plans;

(9) land reclamation activities;

(10) performance measures that enable the abandonment process to be evaluated, including but not limited to:

(i) removing soil and water contamination;

(ii) protecting sensitive environmental areas;

(iii) protecting utility and transportation crossings; and

(iv) managing the long-term effects of the abandoned pipeline on the land;

(11) a statement of responsibility for facilities left in place;

(12) a postabandonment monitoring and maintenance schedule;

(13) abandonment costs and the adequacy of the pipeline's financial assurance funds to pay for both initial and ongoing costs; and

(14) any additional information required by the commissioner.

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

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, and Tomassoni.

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

Senator Newton moved to amend S.F. No. 4091 as follows:

Page 28, delete section 24 and insert:

"Sec. 24. **[465.485] BAN ON ENERGY HOOKUPS; PROHIBITION.**

A political subdivision is prohibited from adopting an ordinance, resolution, code, policy, or permit requirement that prohibits or has the effect of preventing a utility from (1) connecting or reconnecting a solar energy system, wind energy system, geothermal system, hydroelectric system, biomass-derived fuels, green hydrogen, electric vehicle charging equipment, energy storage systems, natural gas, or propane to any building, or (2) supplying a solar energy system, wind energy system, geothermal system, hydroelectric system, biomass-derived fuels, green hydrogen, electric vehicle charging equipment, energy storage systems, natural gas, or propane to any building or utility customer.

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

Amend the title accordingly

CALL OF THE SENATE

Senator Kiffmeyer imposed a call of the Senate for the balance of the proceedings on the Newton amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Newton amendment. The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 4091 as follows:

Page 8, after line 26, insert:

"Sec. 6. Minnesota Statutes 2020, section 216B.16, is amended by adding a subdivision to read:

Subd. 6e. **Rules for new nuclear plant cost recovery.** (a) Notwithstanding any law to the contrary, the commission may not allow any of the costs attributable to the licensing and construction of a nuclear generating plant to be recovered from ratepayers until the plant is operational. Cost recovery shall be through the regular cost recovery process approval by the commission.

(b) The commission may not allow rate recovery for cost overruns related to the construction of nuclear power plants and related facilities. Cost overruns are the excess of actual costs over the costs found in the certificate of need proceeding for the plant.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to costs for plants receiving a certificate of need on or after that date."

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 29 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, Johnson, and Tomassoni.

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

Senator Dibble moved to amend S.F. No. 4091 as follows:

Page 28, line 17, after "Minnesota" insert "that demonstrate at least a 90 percent capability of carbon capture"

Senator Senjem moved to amend the Dibble amendment to S.F. No. 4091 as follows:

Page 1, line 2, delete "a 90" and insert "an 80"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Dibble amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator McEwen moved to amend S.F. No. 4091 as follows:

Page 28, after line 13, insert:

"Sec. 22. Minnesota Statutes 2020, section 216H.02, subdivision 1, is amended to read:

Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state to reduce statewide greenhouse gas emissions across all sectors producing those emissions ~~to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.~~ by at least the following amounts, compared with the level of emissions in 2005:

(1) 15 percent by 2015;

(2) 30 percent by 2025;

(3) 45 percent by 2030; and

(4) to net zero by 2050.

(b) The ~~levels shall~~ targets must be reviewed based on the climate change action plan study. annually by the commissioner of the Pollution Control Agency, taking into account the latest scientific research on the impacts of climate change and strategies to reduce greenhouse gas emissions published by the Intergovernmental Panel on Climate Change. The commissioner must forward any recommended changes to the targets to the chairs and ranking minority members of legislative committees with primary jurisdiction over climate change and environmental policy.

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

Renumber the sections in sequence and correct 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 35, as follows:

Those who voted in the affirmative were:

Bigham	Dibble	Frentz	Kent	McEwen
Carlson	Dziedzic	Hawj	Klein	Murphy
Champion	Eaton	Hoffman	Kunesh	Newton
Clausen	Eken	Isaacson	López Franzen	Pappas
Cwodzinski	Fatch	Johnson Stewart	Marty	Port

Putnam

Rest

Torres Ray

Wiger

Wiklund

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, Port, and Torres Ray.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, Johnson, and Tomassoni.

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

Senator Kunesh moved to amend S.F. No. 4091 as follows:

Page 30, after line 27, insert:

"Sec. 29. TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian tribes in Minnesota to establish a tribal advocacy council on energy.

(b) When providing support to a tribal advocacy council on energy, the Department of Commerce must assist the council:

(1) assess and evaluate common tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between the tribes to generate solutions to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including (i) organizing stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with policy proposal development, evaluation, and decision making, and (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness and provide educational opportunities with respect to tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian tribes in Minnesota to establish a tribal advocacy council on energy, nor does it require or obligate

any one of the 11 federally recognized Indian tribes in Minnesota to participate in or implement a decision or support an effort made by an established tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a tribal advocacy council on energy under this section must be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Senator Senjem moved to amend the Kunesh amendment to S.F. No. 4091 as follows:

Page 1, lines 5, 9, and 30, delete "must" and insert "may"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Kunesh amendment, as amended.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Benson	Eaton	Kent	Murphy	Rosen
Bigham	Eken	Klein	Nelson	Senjem
Carlson	Fateh	Kunesh	Newton	Torres Ray
Chamberlain	Frentz	Lang	Osmeck	Wiger
Champion	Hawj	Limmer	Pappas	Wiklund
Clausen	Hoffman	López Franzen	Port	
Cwodzinski	Housley	Marty	Pratt	
Dibble	Isaacson	McEwen	Putnam	
Dziedzic	Johnson Stewart	Miller	Rest	

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, Port, and Torres Ray.

Those who voted in the negative were:

Anderson	Draheim	Howe	Koran	Tomassoni
Bakk	Duckworth	Ingebrigtsen	Mathews	Utke
Coleman	Eichorn	Jasinski	Newman	Weber
Dahms	Gazelka	Johnson	Rarick	Westrom
Dornink	Goggin	Kiffmeyer	Ruud	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Gazelka, Ingebrigtsen, and Tomassoni.

The motion prevailed. So the Kunesh amendment, as amended, was adopted.

Senator Housley moved to amend S.F. No. 4091 as follows:

Page 69, after line 27, insert:

"(3) is able to demonstrate that the nature of their position as a first responder or other emergency frontline worker or long-term or other health care frontline worker provided sustained COVID-19 exposure or required direct COVID-19 patient care;"

Page 69, line 28, delete "(3)" and insert "(4)"

Page 70, line 1, delete "(4)" and insert "(5)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, Lang, and Tomassoni.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, Port, and Torres Ray.

The motion prevailed. So the amendment was adopted.

S.F. No. 4091 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 38 and nays 27, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Benson, Gazelka, Ingebrigtsen, Newman, and Tomassoni.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Clausen, Fateh, López Franzen, Port, and Torres Ray.

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 Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Johnson 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. 3249: A bill for an act relating to mental health; creating a mental health provider supervision grant program; modifying adult mental health initiatives; modifying intensive residential treatment services; modifying mental health fee-for-service payment rate; removing county share; creating mental health urgency room grant program; directing the commissioner to develop medical assistance mental health benefit for children; establishing forensic navigator services; creating an online music instruction grant program; creating an exception to the hospital construction moratorium for projects that add mental health beds; appropriating money; amending Minnesota Statutes 2020, sections 144.55, subdivisions 4, 6; 144.551, by adding a subdivision; 245.4661, as amended; 256B.0622, subdivision 5a; Minnesota Statutes 2021 Supplement, sections 245I.23, by adding a subdivision; 256B.0625, subdivisions 5, 56a; proposing coding for new law in Minnesota Statutes, chapters 144; 245; 611; repealing Minnesota Statutes 2020, section 245.4661, subdivision 8.

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

Page 7, line 6, after the first "commissioner" insert "of management and budget"

Page 7, line 7, delete "management and budget" and insert "human services"

Page 7, delete line 10 and insert "The commissioner of management and budget, in consultation with the commissioner of human services, shall"

Page 7, line 13, after "services" insert ", in consultation with the commissioner of management and budget,"

Page 7, line 16, before "evaluation" insert "inventory and"

Page 7, line 18, before "experimental" insert "inventory and the"

Page 14, after line 30, insert:

"Sec. 10. Minnesota Statutes 2021 Supplement, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be \$10.77 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$10.77 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC of the generic product or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. If the average sales price is unavailable, the amount of payment must be the lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. With the exception of paragraph (f), the payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

(f) Notwithstanding paragraph (e), payment for injectable drugs used to treat substance use disorder or mental illness administered by a practitioner or pharmacist in an outpatient setting shall be made either to the administering facility, the practitioner, the administering pharmacy or pharmacist, or directly to the dispensing pharmacy. The practitioner, administering facility, or administering pharmacy or pharmacist shall submit the claim for the drug if they purchase the drug directly from a wholesale distributor licensed under section 151.47 or from a manufacturer licensed under section 151.252. The dispensing pharmacy shall submit the claim if the pharmacy dispenses the drug pursuant to a prescription issued by the practitioner and delivers the filled prescription to the practitioner for subsequent administration. Payment shall be made according to this section. The commissioner shall ensure that claims are not duplicated. A pharmacy shall not dispense a practitioner-administered injectable drug described in this paragraph directly to an enrollee.

~~(f)~~ (g) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner

may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement. In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.

~~(g)~~ (h) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

~~(h)~~ (i) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement.

~~(i)~~ (j) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and ~~(f)~~ (g) by 1.8 percent for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52."

Page 18, line 5, delete "Funds" and insert "Distribution of appropriated amounts"

Page 21, after line 28, insert:

"Sec. 17. MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.

Subdivision 1. Grants authorized. (a) The commissioner of health shall develop a grant program to award grants to health care entities, including but not limited to health care systems, hospitals,

nursing facilities, community health clinics or consortium of clinics, federally qualified health centers, rural health clinics, or health professional associations for the purpose of establishing or expanding programs focused on improving the mental health of health care professionals.

(b) Grants shall be awarded for programs that are evidenced-based or evidenced-informed and are focused on addressing the mental health of health care professionals by:

(1) identifying and addressing the barriers to and stigma among health care professionals associated with seeking self-care, including mental health and substance use disorder services;

(2) encouraging health care professionals to seek support and care for mental health and substance use disorder concerns;

(3) identifying risk factors associated with suicide and other mental health conditions; or

(4) developing and making available resources to support health care professionals with self-care and resiliency.

Subd. 2. **Allocation of grants.** (a) To receive a grant, a health care entity must submit an application to the commissioner by the deadline established by the commissioner. An application must be on a form and contain information as specified by the commissioner and at a minimum must contain:

(1) a description of the purpose of the program for which the grant funds will be used;

(2) a description of the achievable objectives of the program and how these objectives will be met; and

(3) a process for documenting and evaluating the results of the program.

(b) The commissioner shall give priority to programs that involve peer-to-peer support.

Subd. 3. **Evaluation.** The commissioner shall evaluate the overall effectiveness of the grant program by conducting a periodic evaluation of the impact and outcomes of the grant program on health care professional burnout and retention. The commissioner shall submit the results of the evaluation and any recommendations for improving the grant program to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by October 15, 2024."

Page 22, after line 23, insert:

"Sec. 20. **APPROPRIATION; REDUCTION.**

(a) \$2,343,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of health for the health care professionals mental health grant program. This is a onetime appropriation.

(b) The general fund appropriation to the commissioner of health for the Office of Medical Cannabis, estimated to be \$781,000, is eliminated."

Page 22, line 27, delete everything after the first period

Page 23, line 1, delete "EXPAND"

Page 23, line 2, delete "for additional funding"

Page 23, line 8, delete "in section 12"

Page 23, line 29, delete "\$1,500,000" and insert "(a) \$2,914,000"

Page 24, line 2, delete "This is a onetime appropriation." and insert "The base for this appropriation is \$180,000 in fiscal year 2024 and \$0 in fiscal year 2025."

Page 24, after line 2, insert:

"(b) Of this appropriation, \$115,000 in fiscal year 2023 is for administration and \$3,000 in fiscal year 2023 is for systems costs.

(c) The base for administration is \$179,000 in fiscal year 2024 and is available until June 30, 2025. The base for systems costs is \$1,000 in fiscal year 2024 and \$0 in fiscal year 2025."

Page 24, line 3, delete "INITIATIVES FUNDING" and insert "INITIATIVE GRANTS"

Page 24, line 5, before the period, insert "and thereafter, and is increased by an additional \$10,232,000 in fiscal year 2026 and thereafter"

Page 24, line 13, delete "the"

Page 24, line 17, delete "to award" and insert "for"

Page 24, line 22, delete "rates" and insert "expenditures"

Page 24, line 27, delete "\$500,000" and insert "\$92,000"

Page 25, line 1, delete "FEE-FOR-SERVICE" and insert "MANAGED CARE DIRECTED PAYMENT RATE FOR" and delete "RATES" and insert "SERVICES"

Page 25, line 2, delete "\$19,000" and insert "\$28,000"

Page 25, line 5, delete "\$22,000" and insert "\$32,000" and delete "\$22,000" and insert "\$32,000"

Renumber the sections in sequence

Amend the title 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. 3510: A bill for an act relating to higher education; providing for supplemental funding for the Office of Higher Education, Minnesota State Colleges and Universities, and the University

of Minnesota; creating and expanding workforce development programs and scholarships; expanding and renaming the Minnesota Higher Education Facilities Authority as the Minnesota Health and Education Facilities Authority; amending Minnesota Statutes 2020, sections 3.732, subdivision 1; 136A.103; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32, subdivision 4; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.02, subdivision 1; 136F.302, subdivisions 1, 2; 136F.38, subdivisions 2, 4; 136F.67, subdivision 1; 137.022, subdivision 4; 354B.20, subdivision 7; Minnesota Statutes 2021 Supplement, sections 10A.01, subdivision 35; 136F.38, subdivision 3; Laws 2021, First Special Session chapter 2, article 1, sections 2, subdivisions 1, 9, 19, 20, 25, 26, 27, 33, 34, 38; 3, subdivisions 1, 3; 4, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 124D; 136A; repealing Minnesota Statutes 2020, sections 136A.29, subdivision 4; 136F.03.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are in addition to the appropriations in Laws 2021, First Special Session chapter 2, article 1, as amended in this act, unless otherwise specified, and are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **MINNESOTA OFFICE OF HIGHER EDUCATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>5,261,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Grants to Students Pursuing Law Enforcement

-0-

3,761,000

For grants to eligible students under Minnesota Statutes, section 136A.1213. Of this amount, \$170,000 the first year is for administration costs. The base for this appropriation is \$3,666,000 for fiscal year 2024 and later. Beginning in fiscal year 2024, the commissioner may use \$75,000 for administration costs.

Subd. 3. Skills Path Grant Program

-0-

500,000

For grants to eligible institutions under Minnesota Statutes, section 136A.247. Of this amount, the commissioner may use no more than \$15,000 of the appropriation for administration of the grant program. The base for this appropriation is \$500,000 for fiscal year 2024 and later.

Subd. 4. Owatonna Learn to Earn Coalition; Office of Higher Education

-0-

980,000

This appropriation is for a grant to the Owatonna Learn to Earn Coalition to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2024. Of this amount:

(1) \$900,000 is to develop educational learning spaces with state-of-the-art equipment and student support services in high-demand career pathway programs. Of this amount, \$306,000 is to equip the new Owatonna High School's Industrial Technology classrooms with state-of-the-art equipment to introduce students to high-skill, high-wage, technical careers, and \$594,000 is to equip the Owatonna Riverland Community College Campus with state-of-the-art instructional equipment to offer credit and noncredit technical programs in automation robotics engineering technology and information technology; and

(2) \$80,000 is to create learn to earn opportunities for students and employers by engaging employers in the Owatonna community to offer tuition reimbursement or scholarships and part-time work and school schedules to employees who agree to continue their education while working for them.

Subd. 5. Owatonna Learn to Earn Coalition; Department of Employment and Economic Development

-0- 20,000

For transfer to the commissioner of employment and economic development for a grant to the Owatonna Learn to Earn Coalition to conduct a comprehensive local needs assessment to examine current and future workforce needs in the region. The coalition shall retain a consultant and utilize state demographer resources to involve education, business, and community stakeholders to guide the high school's career pathways, the college's programs of study, and the business's support of work-based learning programs that help them recruit, develop, and retain a vibrant workforce to keep the regional economy strong. This is a onetime appropriation and is available until June 30, 2024.

Sec. 3. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

\$ -0- \$ 454,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance

-0- 454,000

\$454,000 in fiscal year 2023 is to improve campus safety, bolstering the technology infrastructure with cameras and strategic information accessibility, and provide a safe campus by increasing security and full-time law enforcement presence. The base for this

appropriation is \$2,390,000 for fiscal year 2024 and later.

Sec. 4. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$	271,702,000	\$		<u>274,269,000</u>
					<u>275,019,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 9, is amended to read:

Subd. 9. Intervention for College Attendance Program Grants					
		1,143,000			1,142,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

The commissioner may use no more than ~~three percent~~ \$34,000 each year of this appropriation to administer the intervention for college attendance program grants.

Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 19, is amended to read:

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program					
		3,000,000			3,000,000

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than ~~three percent~~ \$90,000 each year of the amount transferred under this subdivision to administer the grant program.

Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. Summer Academic Enrichment Program					
		250,000			250,000

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than ~~three percent~~ \$8,000 each year of this appropriation to administer the grant program under this subdivision.

Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. Grants to Student Teachers in Shortage Areas	500,000	500,000
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For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than ~~three percent~~ \$15,000 each year of the appropriation for administration of the program.

Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26, is amended to read:

Subd. 26. Grants to Underrepresented Student Teachers	1,000,000	1,000,000 <u>1,250,000</u>
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For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than ~~three percent~~ \$30,000 the first year and \$38,000 the second year of the appropriation for administration of the program.

The base for this appropriation is ~~\$1,125,000~~ \$1,250,000 in fiscal year 2024 and later.

Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27, is amended to read:

Subd. 27. Teacher Shortage Loan Repayment	200,000	200,000
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For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than ~~three percent~~ \$6,000 each year of the amount

transferred under this subdivision to administer the program.

Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 33, is amended to read:

Subd. 33. Minnesota Independence College and Community		1,250,000
	1,250,000	<u>1,750,000</u>

For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8.

The base for this appropriation is ~~\$1,000,000~~ \$1,207,000 in fiscal year 2024 and later.

Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 34, is amended to read:

Subd. 34. Student Loan Debt Counseling	200,000	200,000
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For student loan debt counseling under Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no more than ~~three percent~~ \$6,000 each year of the appropriation to administer the student loan debt counseling program.

Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 38, is amended to read:

Subd. 38. Aspiring Teachers of Color Scholarship Pilot Program	1,500,000	1,500,000
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(a) This appropriation is for the aspiring teachers of color scholarship pilot program under article 2, section 45.

(b) The commissioner of the Office of Higher Education may use no more than ~~three percent~~ \$45,000 each year of the appropriation to administer the aspiring teachers of color scholarship program.

(c) This is a onetime appropriation. The base for this appropriation is \$0 in fiscal year 2024

and later. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this subdivision do not cancel until July 1, 2025.

Sec. 14. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 1, is amended to read:

		789,491,000		<u>800,140,000</u>
Subdivision 1. Total Appropriation	\$	791,992,000	\$	

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 15. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 3, is amended to read:

		751,295,000		<u>761,944,000</u>
Subd. 3. Operations and Maintenance		753,795,000		

(a) The Board of Trustees must establish tuition rates as follows:

(1) for the 2021-2022 and 2022-2023 academic years, tuition rates for undergraduate students at colleges and universities must not be increased by more than 3.5 percent as compared to the previous academic year, except that a university may change base tuition to adjust for the reduction of online differential charges provided the change is revenue-neutral; and

(2) the student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years 2022 and 2023 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) The Board of Trustees must request guidance from the United States Department of Education regarding whether it is

permissible to allocate federal funds received under section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to provide a tuition credit for enrolled students or refund for students who are no longer enrolled in an amount equal to the amount of the online differential tuition rate charged to students for courses moved online due to the coronavirus pandemic during the 2020-2021 academic year that were not offered as online courses during the previous academic year. If the department advises that this is a permissible use of the federal funds, institutions must issue such tuition credits to enrolled students and must inform students who are no longer enrolled in the institution of their eligibility for a refund. In order to receive a refund, the student must apply for the refund.

(c) \$5,700,000 in fiscal year 2022 and \$5,700,000 in fiscal year 2023 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(d) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(e) \$4,500,000 in fiscal year 2022 and ~~\$4,500,000~~ \$14,500,000 in fiscal year 2023 are for workforce development scholarships under Minnesota Statutes, section 136F.38. Of this appropriation, up to \$200,000 is available in each year to administer the program. Of this amount, \$7,500,000 in the second year and later must be used for

scholarships to students enrolled in a law enforcement program of study. If there is a balance of unobligated funds to law enforcement students by February 15 of each year, the board may reallocate the balance to other purposes under this paragraph. The base for this appropriation is \$9,500,000 for fiscal year 2024 and later.

(f) \$300,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

(g) This appropriation includes \$40,000 in fiscal year 2022 and \$40,000 in fiscal year 2023 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) This appropriation includes \$8,000,000 in fiscal year 2022 and \$8,000,000 in fiscal year 2023 for upgrading the Integrated Statewide Record System.

(i) This appropriation includes \$250,000 in fiscal year 2022 and \$250,000 in fiscal year 2023 to implement the Z-Degree program under Minnesota Statutes, section 136F.305. The base for this appropriation is \$50,000 in fiscal year 2024 and later.

(j) \$1,500,000 in fiscal year 2022 is for the mental health awareness program for students required under Minnesota Statutes, section 136F.20, subdivision 4. Of this amount: \$500,000 must be used for training opportunities under Minnesota Statutes, section 136F.20, subdivision 4, paragraph (a), clause (2); and \$200,000 must be used for grants to colleges and universities to

establish peer support pilot programs in Minnesota Statutes, section 136F.20, subdivision 4, paragraph (c). The Board of Trustees shall convene a committee that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(k) \$1,000,000 in fiscal year 2022 is for colleges and universities to comply with the student basic needs requirements under Minnesota Statutes, section 136F.202. The Board of Trustees must use at least 25 percent of this appropriation for grants to colleges and universities to comply with Minnesota Statutes, section 136F.202, subdivision 1, paragraph (a). The board must use a consultation and committee process that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(l) The total operations and maintenance base for fiscal year 2024 and later is ~~\$751,095,000~~ \$756,095,000.

Sec. 16. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 1, is amended to read:

		692,813,000		692,813,000		<u>694,813,000</u>
Subdivision 1. Total Appropriation	\$		692,813,000	\$		<u>694,813,000</u>
Appropriations by Fund						
	2022		2023			
			690,656,000			
General	690,656,000		<u>692,656,000</u>			
Health Care Access	2,157,000		2,157,000			

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 17. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Special Appropriations

(a) **Agriculture and Extension Service** 42,922,000 42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed

emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2023, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special

7,431,000

~~7,431,000~~
9,431,000

For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

\$2,250,000 in fiscal year 2022 and ~~\$2,250,000~~ \$4,250,000 in fiscal year 2023

are for the Natural Resources Research Institute to invest in applied research for economic development.

The base for this appropriation is \$7,181,000 in fiscal year 2024 and later and, of this amount, \$2,000,000 per fiscal year is for the Natural Resources Research Institute to invest in applied research for economic development.

(e) University of Minnesota and Mayo Foundation Partnership

7,991,000

7,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2022 and \$7,491,000 in fiscal year 2023 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Sec. 18. **EDUCATION APPROPRIATIONS.**

Subdivision 1. Department of Education. The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated. This sum is in addition to appropriations made for the same purpose in any other law.

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>24,000</u>	<u>2023</u>
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The 2023 appropriation includes \$0 for 2022 and \$24,000 for 2023.

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

ARTICLE 2**HIGHER EDUCATION PROVISIONS****Section 1. [124D.351] SKILLS PATH PROGRAM.**

Subdivision 1. **Purpose.** The purpose of the skills path program is to provide students with clear pathways from high school to careers in skilled work and the trades and create opportunities for students to enter postsecondary programs and employment-based training in high school.

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

(b) "Career and technical education dual credit program" means a postsecondary career or technical education course under section 124D.09, subdivision 5a; a secondary course that has a current articulation agreement for postsecondary credit hours with a participating institution; or a youth skills training program that awards postsecondary credit to students.

(c) "Employment-based training" means a registered apprenticeship or apprenticeship readiness program, a dual-training program, a workforce training program at an opportunities industrialization center, or other work-based learning programs in which the student has paid employment.

Subd. 3. **Eligible institutions.** (a) A secondary public school, an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, a vocational center school, a nonpublic school, or any combination of schools is eligible to apply for a skills path program designation.

(b) A Minnesota state college or university, an institution licensed or registered as a postsecondary institution by the Office of Higher Education, or an institution exempt from the provisions of sections 136A.61 to 136A.71 or 136A.822 to 136A.834, as approved by the Office of Higher Education, may partner with an institution in paragraph (a) to provide a postsecondary options enrollment career and technical education course for eligible students in a skills path program.

(c) An eligible institution may work in partnership with one or more postsecondary programs designated in paragraph (b) to create a two-year program that incorporates secondary and postsecondary credit along with employment-based training to award an associate degree in skilled occupations.

Subd. 4. **Skills path programs.** The commissioner of higher education must develop an application consistent with section 136A.247, and may consult with the commissioners of education and labor and industry, for programs that provide students with clear pathways from high school to careers in skilled work and the trades to be designated as skills path programs. Skills path programs must include career-connected learning options, career and technical education dual credit program options, and employment-based training opportunities to be eligible for this designation. Applicants must demonstrate how skills path programs will be marketed to students and what other local partners and employers are involved in developing career pathway opportunities. Skills path programs may be identified in skilled occupations and the trades, including manufacturing, construction, health care services, information technology, agriculture, transportation, child care, law enforcement, energy, and other related industries.

Subd. 5. **Interaction with education finance.** For the purpose of computing state aids for the school district, students participating in the skills path programs under this section shall be counted in the average daily membership of the school district.

Subd. 6. **Academic credit.** A school district may grant academic credit for skills path programs under this section in accordance with local requirements.

Sec. 2. Minnesota Statutes 2020, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(a) A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45, if the institution ~~is located in this state and~~:

(1) is operated by this state or the Board of Regents of the University of Minnesota; ~~or~~

(2) is operated privately, is located in the state, and, as determined by the office, meets the requirements of paragraph (b); or

(3) is a university that:

(i) is a nonprofit entity as defined by Internal Revenue Code, section 501(c)(3);

(ii) is accredited by the institutional accreditor, Northwest Commission on Colleges and Universities;

(iii) provides online education;

(iv) offers exclusively competency-based education; and

(v) as determined by the office, meets the requirements of paragraph (b).

For purposes of this clause, competency-based education means an educational delivery model which organizes academic content by competency rather than more traditional methods, such as by course, and measures a student's academic progress by assessing learning outcomes, typically on the basis of mastery of a defined set of competency standards.

(b) A private institution must:

(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;

(2) be licensed or registered as a postsecondary institution by the office; and

(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.

(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.

(g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. [136A.1213] GRANTS FOR STUDENTS PURSUING LAW ENFORCEMENT.

Subdivision 1. Grant amount; eligibility. (a) A student is eligible for a \$3,000 annual grant, awarded at the beginning of the academic term and distributed evenly between two terms, if the student:

(1) meets the eligibility requirements in section 136A.121, subdivision 2;

(2) is enrolled for at least nine credits in a law enforcement degree program or a nondegree program under section 626.84, subdivision 1, paragraph (g);

(3) attends an eligible institution as defined in section 136A.103; and

(4) is making satisfactory academic progress as defined under section 136A.101, subdivision 10.

(b) The lifetime limit for:

(1) nondegree students is \$3,000;

(2) associate degree students is \$6,000; and

(3) baccalaureate degree students is \$12,000.

Subd. 2. Application. To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

Sec. 4. [136A.247] SKILLS PATH GRANT PROGRAM.

Subdivision 1. **Grant amount.** The commissioner of higher education shall award grants up to \$50,000 per grant to up to ten secondary schools annually for skills path programs under section 124D.351 that align career and technical education dual credit program options with employment-based training opportunities. Applications must demonstrate how grant funding will provide students with clear pathways from high school to postsecondary training that lead to careers in skilled work and the trades. The commissioner of higher education may work with the commissioner of education and the commissioner of labor and industry to develop the grant application and administer the grants.

Subd. 2. **Grant uses.** (a) A secondary school awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) marketing efforts to students about skills path program opportunities;

(2) coordinating academic, vocational, and occupational learning; school-based and work-based learning; and secondary and postsecondary education for participants in the program;

(3) reimbursement of tuition, books, required tools, and other expenses necessary for participation in the program; and

(4) any other implementation or coordination activity that the commissioner may direct or permit the eligible institution to perform.

(b) Grant awards may not be used to pay the wages of a student directly or indirectly.

Subd. 3. **Grant application.** The following information must be included in the grant application:

(1) the identity of each secondary school that is a participant in the skills path program;

(2) the identity of each registered apprenticeship program or apprenticeship readiness program, dual-training program, workforce training program at an opportunities industrialization center, or other work-based learning program in which the student has the opportunity for paid employment that is a participant in the skills path program;

(3) the identity of each postsecondary institution, intermediate school district, public agency, nonprofit organization, union, career and technical education consortium, or workforce development authority that is a participant in the skills path program;

(4) the identity of any employers participating in the skills path program;

(5) a description of any career-connected learning components;

(6) a description of the career and technical education dual-credit program options;

(7) a description of any postsecondary education components in the skills path program;

(8) a description of employment-based training opportunities; and

(9) applicable career planning information.

Sec. 5. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are enrolled at the time of appointment at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board and the balance of the board membership with respect to labor and business representation ~~and~~; racial, gender, geographic, and ethnic composition; and occupation and experience. In selecting appointees, the governor must consider the needs of the board for skills relevant to the governance of the Minnesota State Colleges and Universities and the candidate's ability to discharge the responsibilities of the board.

A commissioner of a state agency may not serve as a member of the board.

Sec. 6. Minnesota Statutes 2020, section 136F.302, subdivision 1, is amended to read:

Subdivision 1. **ACT or SAT college ready score; Minnesota Comprehensive Assessment career and college ready benchmarks.** (a) A state college or university must not require an individual to take a ~~remedial~~ developmental, noncredit course in a subject area if the individual has received a college ready ACT or SAT score or met a career and college ready Minnesota Comprehensive Assessment benchmark in that subject area. Only the ACT and SAT scores an individual received and the Minnesota Comprehensive Assessment benchmarks an individual met in the previous five years are valid for purposes of this section. Each state college and university must post notice of the exemption from ~~remedial~~ developmental course taking on its website explaining student course placement requirements. Prior to enrolling an individual in a developmental course, a college or university must (1) determine if the individual's performance on the ACT, SAT, or Minnesota Comprehensive Assessments exempts the individual from the developmental course under this paragraph, and (2) inform the individual if a developmental course is required.

(b) When deciding if an individual is admitted to or if an individual may enroll in a state college or university, the state college or university must consider the individual's scores on the high school Minnesota Comprehensive Assessments, in addition to other factors determined relevant by the college or university.

Sec. 7. Minnesota Statutes 2020, section 136F.302, subdivision 2, is amended to read:

Subd. 2. **Testing Process for determining if ~~remediating~~ developmental education is necessary.** (a) A college or university must not determine if an individual is placed in a developmental, noncredit course based solely on a testing process. A state college or university may use multiple measures to make a holistic determination on whether to place an individual in a developmental course. Multiple measures may include:

(1) testing under paragraph (b);

(2) the individual's scores on the high school Minnesota Comprehensive Assessments, the ACT, or the SAT;

(3) high school grade point average;

(4) teacher recommendations; and

(5) other factors determined relevant by the college or university.

(b) A college or university testing process used to determine whether an individual is placed in a ~~remedial~~ developmental, noncredit course must comply with this subdivision. Prior to taking a test, an individual must be given reasonable time and opportunity to review materials provided by the college or university covering the material to be tested which must include a sample test. An individual who is required to take a ~~remedial~~ developmental, noncredit course as a result of a test given by a college or university must be given an opportunity to retake the test at the earliest time determined by the individual when testing is otherwise offered. The college or university must provide an individual with study materials for the purpose of retaking and passing the test.

Sec. 8. Minnesota Statutes 2020, section 136F.38, subdivision 2, is amended to read:

Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning of an academic term, in the amount of \$2,500, or \$5,000 for law enforcement students, to be distributed evenly between two terms.

Sec. 9. Minnesota Statutes 2021 Supplement, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7) construction; (8) law enforcement; or (9) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 10. Minnesota Statutes 2020, section 136F.38, subdivision 4, is amended to read:

Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but total lifetime awards are not to exceed \$7,500 per student, or \$15,000 for law enforcement students. Students may only be awarded a second scholarship upon completion of two academic terms. Students may be awarded a third scholarship if the student transfers to a corresponding program at a Minnesota state university.

Sec. 11. Minnesota Statutes 2020, section 137.022, subdivision 4, is amended to read:

Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Beginning January 1, 2013, 50 percent of the income must be allocated according to this paragraph. One-half of the income under this paragraph, up to ~~\$50,000,000~~ \$100,000,000, must be credited to the mineral research account of the fund to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research including mineral-related environmental research. The other one-half of the income under this paragraph, up to \$25,000,000, is credited to an endowment for the costs of operating ~~a mining, metallurgical~~ mineral, mineral-related, or related engineering science, technology, engineering, and mathematics (STEM) degree program programs offered through the University of Minnesota at Mesabi Range Community and Technical College and the Swenson College of Science and Engineering at Duluth to support workforce development and collaborations benefiting regional academics, industry, and natural resources on the Iron Range in northeast Minnesota and for scholarships for Minnesota students to attend the ~~mining, metallurgical, or related engineering program~~ mineral, mineral-related, or STEM programs. The maximum scholarship awarded to attend the ~~mining, metallurgical, or related engineering~~ degree program programs funded under this paragraph cannot exceed \$6,500 ~~75 percent of current in-state tuition rates~~ per academic year and may be awarded a maximum of four academic years.

(2) The remainder of the income under paragraph (a) plus the amount of any income under clause (1) after ~~\$50,000,000~~ \$100,000,000 has been credited to the mineral research account for the Natural Resources Research Institute and the amount of any income over the \$25,000,000 for the ~~engineering program~~ programming in clause (1) must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the Board of Regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 12. **REVISOR INSTRUCTION.**

The revisor of statutes shall substitute the term "developmental" for "remedial" wherever the term refers to remedial education courses at a postsecondary institution. The revisor shall also make grammatical changes related to the changes in terms to preserve the meaning of the text.

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, section 136F.03, is repealed.

ARTICLE 3

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2020, section 136A.25, is amended to read:

136A.25 CREATION.

A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority is hereby created.

Sec. 2. Minnesota Statutes 2020, section 136A.26, is amended to read:

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit membership association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit membership association shall be determined and may be changed from time to time by the members of the authority in accordance with and as shall be provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and~~ the president of the Private College Council, or the chief executive officer of the Minnesota nonprofit membership association described in subdivision 1b shall be as provided in section 15.0575.

Sec. 3. Minnesota Statutes 2020, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations within the state be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~ that institutions of higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges; ~~and~~ It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 4. Minnesota Statutes 2020, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with, another entity. For the purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the management and policies of the entity. Affiliate also means an entity whose business or substantially all of whose property is operated under a lease, management agreement, or operating agreement by another entity, or an entity who operates the

business or substantially all of the property of another entity under a lease, management agreement, or operating agreement.

Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities Authority created by sections 136A.25 to 136A.42.

Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge, and shall a health care facility or an education facility whether proposed, under construction, or completed, and includes land or interests in land, appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures, furniture, machinery, equipment, and parking. Project also includes other structures, facilities, improvements, machinery, equipment, and means of transport of a capital nature that are necessary or convenient for the operation of the facility. Project does not include: (1) any facility used or to be used for sectarian instruction or as a place of religious worship nor; (2) any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; nor (3) any books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are customarily deemed to result in a current operating charge.~~

Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which ~~such~~ buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and such other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of such construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution ~~for higher education~~ or any other lawfully pledged security of a participating institution ~~for higher education~~.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located within another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located within the contiguous state is an affiliate of a health care organization located within the state.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related thereto essential or convenient for the orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use within this state as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services, and includes other structures or facilities related thereto essential or convenient for the orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution of higher education.** "Participating institution of higher education" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 5. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Sec. 6. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

Subd. 3. **Employees.** The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of ~~said~~ its employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision 3, participate.

Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of ~~higher education~~ as its agent to determine the location and character of a project undertaken by such participating institution of ~~higher education~~ under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

(b) Notwithstanding paragraph (a), a project involving a health care facility within the state financed under sections 136A.25 to 136A.42, must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution of ~~higher education~~ to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~ \$4,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the \$4,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed \$1,750,000,000 at any time, and the aggregate principal amount used to fund health care facilities may not exceed \$2,250,000,000 at any time.

Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of such participating institutions of higher education or costs met by federal or state public funds, or enhance or preserve health care or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution ~~of higher education~~. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution ~~of higher education~~ shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution ~~of higher education~~ as its agent to establish rules for the use of a project undertaken for such participating institution ~~of higher education~~.

Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such this~~ chapter or of the authority, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of ~~such the~~ property. ~~Such~~ The sale, lease, release, disposition, or grant may be made without competitive bidding and in ~~such the~~ manner and for such consideration as the authority in its judgment deems appropriate.

Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution of ~~higher education~~ for the cost of a project in accordance with an agreement between the authority and the participating institution of ~~higher education~~; provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the participating institution of ~~higher education~~ and approved by the authority.

Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions of ~~higher education~~ its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment deems appropriate.

Sec. 15. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision to read:

Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

Sec. 16. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with ~~any individual partnership, corporation or association or other body~~ one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 17. Minnesota Statutes 2020, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state ~~which~~ that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain ~~such~~ other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 18. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

Sec. 19. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~ revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision 7.

Sec. 20. Minnesota Statutes 2020, section 136A.36, is amended to read:

136A.36 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and ~~to~~ may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~ the project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund ~~which~~ that is hereby pledged to, and charged with, the payment of the principal of and the interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge shall be

valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds issued to finance a project or projects at one or more participating institutions of ~~higher education~~ without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at ~~an~~ a participating institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien bonds.

Sec. 21. Minnesota Statutes 2020, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 22. Minnesota Statutes 2020, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of ~~higher education~~, financial institution, investment banking firm, brokerage firm, commercial bank or trust company,

architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.

Sec. 23. Minnesota Statutes 2020, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 24. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A, revise any statutory cross-references consistent with the recoding, and report the history in Minnesota Statutes, chapter 16F.

Sec. 25. **REPEALER.**

Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.

ARTICLE 4

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher Health and Education Facilities Authority~~, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved

by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the ~~Higher~~ Health and Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30;

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice;

(27) county commissioner;

(28) member of the Greater Minnesota Regional Parks and Trails Commission;

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Sec. 4. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

- (1) the board;
- (2) the Minnesota Office of Higher Education; and
- (3) the ~~Higher~~ Health and Education Facilities Authority."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 3249 and 3510 were read the second time.

MEMBERS EXCUSED

Senator Bakk was excused from the Session of today from 12:25 to 1:00 p.m. Senators Dornink, Pratt, and Weber were excused from the Session of today from 1:10 to 1:20 p.m. Senator Murphy was excused from the Session of today from 1:10 to 2:45 p.m. Senator Port was excused from the Session of today from 1:10 to 7:10 p.m. Senator Abeler was excused from the Session of today at 3:20 p.m. Senator Torres Ray was excused from the Session of today from 5:15 to 5:45 p.m. Senator Latz was excused from the Session of today at 6:15 p.m.

ADJOURNMENT

Senator Johnson moved that the Senate do now adjourn until 11:00 a.m., Wednesday, April 27, 2022. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

