

## SIXTY-THIRD DAY

St. Paul, Minnesota, Thursday, May 4, 2023

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Brian King.

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

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 that the House refuses to concur in the Senate amendments to House File No. 1938:

**H.F. No. 1938:** A bill for an act relating to financing and operation of state and local government; modifying provisions governing individual income and corporate franchise taxes, federal conformity,

property taxes, certain state aid and credit programs, sales and use taxes, minerals taxes, tax increment financing, certain local taxes, provisions related to public finance, and various other taxes and tax-related provisions; modifying income tax credits; modifying existing and proposing new subtractions; modifying provisions related to the taxation of pass-through entities; providing for certain federal tax conformity; modifying individual income tax rates; modifying provisions related to reporting of corporate income; providing a onetime refundable rebate credit; providing for conformity to certain federal tax provisions; modifying property tax exemptions, classifications, and refunds; modifying local government aid calculations; establishing soil and water conservation district aid; providing for certain sales tax exemptions and providing new definitions; modifying taconite taxes and distributions; converting the renter's property tax refund into a refundable individual income tax credit; modifying provisions related to tax increment financing and allowing certain special local provisions; modifying certain local taxes; establishing tourism improvement special taxing districts; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 3.8855, subdivisions 4, 7; 6.495, subdivision 3; 10A.31, subdivisions 1, 3; 13.46, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 7; 116U.27, subdivisions 1, 4, 7; 118A.04, subdivision 5; 123B.61; 168B.07, subdivision 3; 256J.45, subdivision 2; 256L.15, subdivision 1a; 270A.03, subdivision 2; 270B.12, subdivision 8; 270B.14, subdivision 1; 270C.13, subdivision 1; 270C.19, subdivisions 1, 2; 270C.445, subdivisions 2, 3; 270C.446, subdivision 2; 270C.52, subdivision 2; 272.01, subdivision 2; 272.02, subdivisions 24, 73, 98, by adding a subdivision; 273.11, subdivision 12; 273.124, subdivisions 6, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.13, subdivisions 25, 34, 35; 273.1315, subdivision 2; 273.1341; 273.1392; 275.065, subdivisions 3, 3b, 4; 278.01, subdivision 1; 279.03, subdivision 1a; 282.261, subdivision 2; 289A.02, subdivision 7, as amended; 289A.08, subdivisions 7, as amended, 7a, as amended, by adding subdivisions; 289A.18, subdivision 5; 289A.38, subdivision 4; 289A.382, subdivision 2; 289A.50, by adding a subdivision; 289A.56, subdivision 6; 289A.60, subdivisions 12, 13, 28; 290.01, subdivisions 19, as amended, 31, as amended; 290.0132, subdivisions 4, 24, 26, 27, by adding subdivisions; 290.0133, subdivision 6; 290.0134, subdivision 18, by adding a subdivision; 290.06, subdivisions 2c, as amended, 2d, 22, 39; 290.067; 290.0671, as amended; 290.0674; 290.0677, subdivision 1; 290.0682, subdivision 2, by adding a subdivision; 290.0685, subdivision 1, by adding a subdivision; 290.0686; 290.091, subdivision 2, as amended; 290.17, subdivision 4, by adding a subdivision; 290.21, subdivision 9; 290.92, subdivision 20; 290.9705, subdivision 1; 290A.02; 290A.03, subdivisions 3, 6, 8, 12, 13, 15, as amended, by adding a subdivision; 290A.04, subdivisions 1, 2, 2h, 4, 5; 290A.05; 290A.07, subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision 3; 297A.61, subdivision 29, by adding subdivisions; 297A.67, subdivisions 2, 7, 9; 297A.68, subdivisions 4, 25; 297A.70, subdivisions 2, 4, 18, 19; 297E.02, subdivision 6; 297E.021, subdivision 4; 297H.13, subdivision 2; 297I.20, subdivision 4; 298.015; 298.018, subdivisions 1, 1a; 298.28, subdivisions 5, 7a, by adding a subdivision; 298.296, subdivision 4; 299C.76, subdivisions 1, 2; 327C.02, subdivision 5; 349.11; 349.12, subdivisions 12b, 12c, by adding a subdivision; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 462A.05, subdivision 24; 462A.38; 469.033, subdivision 6; 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174, subdivision 14, by adding a subdivision; 469.175, subdivision 6; 469.176, subdivisions 3, 4; 469.1761, subdivision 1; 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a, 3; 474A.02, subdivisions 22b, 23a; 475.54, subdivision 1; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9; 477A.03, subdivisions 2a, 2b, by adding a subdivision; 477A.12, subdivisions 1, 3, by adding a subdivision; 477A.30; 477B.01, subdivisions 5, 10, 11, by adding subdivisions; 477B.02, subdivisions 2, 3, 5,

8, 9, 10, by adding a subdivision; 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02, subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; 514.972, subdivision 5; Laws 1971, chapter 773, section 1, subdivision 2, as amended; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2, as amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 5, sections 26, as amended; 36, subdivisions 1, 3, as amended; article 7, section 17; article 17, section 6; Laws 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2023, chapter 1, section 15; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 290; 477A; proposing coding for new law as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2022, sections 270A.04, subdivision 5; 290.01, subdivision 19i; 290.0131, subdivision 18; 290.0132, subdivision 33; 290A.03, subdivisions 9, 11; 290A.04, subdivision 2a; 290A.23, subdivision 1; 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477A.16, subdivisions 1, 2, 3; 477B.02, subdivision 4; 477B.03, subdivision 6.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Gomez; Lislegard; Lee, K.; Agbaje and Davids have been appointed as such committee on the part of the House.

House File No. 1938 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 2, 2023

Senator Rest moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1938, 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 Dziedzic moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on H.F. No. 2950 and S.F. No. 2404 and the report pertaining to the appointment. The motion prevailed.

### **Senator Dziedzic, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2	2				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2, the eighth engrossment; and insert the language after the enacting clause of S.F. No. 2, the eighth engrossment; further, delete the title of H.F. No. 2, the eighth engrossment; and insert the title of S.F. No. 2, the eighth engrossment.

And when so amended H.F. No. 2 will be identical to S.F. No. 2, and further recommends that H.F. No. 2 be given its second reading and substituted for S.F. No. 2, and that the Senate File be indefinitely postponed.

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

**Senator Dzedzic from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**H.F. No. 3100:** A bill for an act relating to retirement; reducing the actuarial assumption for investment rate of return; eliminating the delay to normal retirement age on the commencement of postretirement adjustments and reducing the vesting requirement for the general employees retirement plans of the Minnesota State Retirement System and the Public Employees Retirement Association; modifying the postretirement adjustment for the local government correctional service retirement plan; providing a onetime postretirement adjustment to all pension plan members; temporarily reducing the employee contribution rate for the general state employees retirement plan; modifying the expiration date for supplemental employer contributions to the State Patrol and correctional state employees plans and for the state aid to the judges plan; providing for an unreduced retirement annuity upon reaching age 62 with 30 years of service and increasing the employee contribution rate for the St. Paul Teachers Retirement Fund Association; appropriating money for onetime direct state aids to the pension plans, an incentive program for paying monetary incentives to join the statewide volunteer firefighter plan, and the Legislative Commission on Pensions and Retirement for actuarial services to assess the actuarial cost of pension legislation; amending Minnesota Statutes 2022, sections 352.04, subdivision 2; 352.115, subdivision 1; 352.92, subdivision 2a; 352B.02, subdivision 1c; 353.01, subdivision 47; 354A.12, subdivision 1; 354A.31, subdivision 7, by adding a subdivision; 356.215, subdivision 8; 356.415, subdivisions 1, 1b, 1g; 490.123, subdivision 5.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on H.F. No. 3100 and that the report from the Committee on State and Local Government and Veterans, shown in the Journal for May 3, 2023, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance". Amendments adopted. Report adopted.

**Senator Murphy from the Committee on State and Local Government and Veterans, to which was referred**

**H.F. No. 1234:** A bill for an act relating to labor; modifying peace officer and firefighter duty disability provisions; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 299A.42; 299A.465, subdivision 4, by adding a subdivision; 352B.011, by adding a subdivision; 352B.10, subdivisions 1, 2a, 4, by adding a subdivision; 352B.101; 352B.105,

subdivision 1; 353.01, subdivision 47; 353.031, subdivisions 1, 3, 4, 8, 9, by adding a subdivision; 353.335; 353.656, subdivisions 1, 1a, 1b, 3, 3a, 4, 6a, 10; proposing coding for new law in Minnesota Statutes, chapters 352B; 353; 626; repealing Minnesota Statutes 2022, section 353.656, subdivisions 2, 2a.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 299A.42, is amended to read:

**299A.42 PUBLIC SAFETY OFFICER'S BENEFIT ACCOUNT.**

Subdivision 1. **Public safety officer's benefit account.** The public safety officer's benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account. Money in the account that is not expended in the fiscal year in which it is transferred or appropriated does not revert to the general fund until claims for reimbursement under section 299A.465 that are submitted in that fiscal year are either paid or denied.

Subd. 2. **Annual report.** The commissioner of public safety must annually report, no later than 30 days after the end of each fiscal year, to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and pensions regarding the financial status of the public safety officer's benefit account; the reimbursements paid by the commissioner during the preceding fiscal year under sections 299A.465, 352B.102, and 353.032; and payments, if any, made during the preceding fiscal year under sections 352B.103 and 353.033. If the commissioner anticipates, based on historical averages, that the public safety officer's benefit account will not have enough money to fund all reimbursements the commissioner reasonably anticipates will be requested under sections 299A.465, 352B.102, and 353.032 and payments for which invoices will be received under sections 352B.103 and 353.033 for the current and next fiscal year, the commissioner must include in the report the amounts the commissioner believes are necessary to fund the anticipated reimbursements and payments.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 299A.465, subdivision 4, is amended to read:

Subd. 4. **Public employer reimbursement.** (a) A public employer ~~subject to this section~~ may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement ~~to help defray a portion~~ of its costs of complying with this section and sections 352B.102 and 353.032. Except as provided for in paragraph (b), the commissioner shall provide an equal pro rata share reimbursement to the public employer out of the public safety officer's benefit account, based on the availability of funds for each eligible officer, firefighter, and qualifying dependents. Individual shares must not exceed the actual costs of providing coverage under this section by a public employer.

(b) Beginning on January 1, 2024, a public employer is not eligible for reimbursement under paragraph (a) unless the employer provides at least one of the following:

(1) annual wellness training to peace officers and firefighters who either are employed or volunteer for the employer; or

(2) an employee assistance program or peer support program.

(c) Wellness training for peace officers under paragraph (b), clause (1), must incorporate the learning objectives established by the Peace Officer Standards and Training Board under section 626.8478. No later than February 1, 2024, the Minnesota Fire Initiative must create a wellness training program for public employers to offer to firefighters to satisfy the requirements of paragraph (b). Training programs established in the Hometown Heroes Assistance Program under section 299A.477, subdivision 2, clause (4), satisfy the requirements of paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 299A.465, is amended by adding a subdivision to read:

Subd. 8. **No assignment of right to continued health insurance coverage.** A peace officer's or firefighter's entitlement to continued health insurance coverage under this section is not assignable either in law or equity or subject to execution, levy, attachment, garnishment, or other legal process.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 352B.011, subdivision 10, is amended to read:

Subd. 10. **Member.** "Member" means:

(1) a State Patrol member currently employed under section 299D.03 by the state, who is a peace officer under section 626.84, and whose salary or compensation is paid out of state funds;

(2) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds;

(3) a crime bureau officer who was employed by the crime bureau and was a member of the Highway Patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under Minnesota Statutes 2009, section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

(4) a public safety employee who is a peace officer under section 626.84, subdivision 1, paragraph (c), and who is employed by the Division of Alcohol and Gambling Enforcement under section 299L.01;

(5) a Fugitive Apprehension Unit officer after October 31, 2000, who is employed by the Office of Special Investigations of the Department of Corrections and who is a peace officer under section 626.84;

(6) an employee of the Department of Commerce defined as a peace officer in section 626.84, subdivision 1, paragraph (c), who is employed by the Commerce Fraud Bureau under section 45.0135 after January 1, 2005, and who has not attained the mandatory retirement age specified in section 43A.34, subdivision 4; ~~and~~

(7) an employee of the Department of Public Safety, who is a licensed peace officer under section 626.84, subdivision 1, paragraph (c), and is employed as the statewide coordinator of the Violent Crime Coordinating Council; and

(8) an individual who is a member under any of clauses (1) to (7) on the date the individual applies for duty disability benefits based on a psychological condition under section 352B.102 continues to be a member even if the individual is later transferred to or accepts employment with the individual's employing entity in a position that is not a position described in clauses (1) to (7).

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 352B.011, is amended by adding a subdivision to read:

Subd. 14. **Total and permanent duty disability.** "Total and permanent duty disability" means a physical or psychological condition that is expected to prevent a member, for a period of not less than 12 months, from engaging in any substantial gainful activity and that is the direct result of great bodily harm incurred during the performance of duties that are specific to protecting the property and personal safety of others and that present inherent dangers specific to the positions covered by the State Patrol retirement fund.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 352B.10, subdivision 1, is amended to read:

Subdivision 1. **Duty disability.** (a) A member who is determined to qualify for duty disability as defined in section 352B.011, subdivision 7, is entitled to receive a duty disability benefit while disabled. The benefits must be paid monthly. The duty disability benefit is an amount equal to the member's average monthly salary multiplied by 60 percent, plus an additional 3.0 percent for each year and pro rata for completed months of service in excess of 20 years, if any.

(b) Notwithstanding paragraph (a), if the member has applied for a duty disability based on a psychological condition, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of the injury or event or the onset of the mental illness or of another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 352B.10, is amended by adding a subdivision to read:

Subd. 1a. **Total and permanent duty disability** (a) A member who is determined to qualify for a total and permanent duty disability as defined in section 352B.011, subdivision 14, is entitled to receive a monthly disability benefit in an amount equal to 99 percent of the member's average monthly salary.

(b) The benefit of a member receiving a total and permanent duty disability benefit whose condition is found to no longer qualify as a total and permanent duty disability but whose condition continues to qualify as a duty disability under section 352B.011, subdivision 7, must be recalculated

as a duty disability benefit under subdivision 1. Payment of the total and permanent duty disability benefit must cease following the last monthly payment occurring before 60 days after the executive director notifies the member that the member is no longer eligible for total and permanent duty disability benefits. Payment of the recalculated duty disability benefit must commence on the first day of the month following 60 days after the notice by the executive director.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 8. Minnesota Statutes 2022, section 352B.10, subdivision 2a, is amended to read:

Subd. 2a. **Applying for benefits; accrual.** No application for disability benefits shall be made until after the last day physically on the job. The disability benefit begins to accrue the day following the last day for which the employee is paid sick leave or annual leave but not earlier than 180 days before the date the application is filed. A member who is terminated must file a written application in an office of the system or with a person authorized by the executive director. Except as otherwise specified under section 352B.102, applications must comply with section 352.113, subdivision 2, paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 352B.10, subdivision 4, is amended to read:

Subd. 4. **Proof of disability.** (a) No disability benefits may be paid unless the member provides adequate proof to the executive director of the existence of the disability.

(b) Adequate proof of a disability must include a written expert report by a licensed physician, an APRN, or a licensed chiropractor, or with respect to a mental impairment, by a licensed psychologist. Adequate proof of a disability based on a psychological condition, as defined under section 352B.102, subdivision 1, clause (6), must include the medical reports and assessments required under section 352B.102.

(c) Following the commencement of benefit payments, the executive director has the right, at reasonable times, to require the disability benefit recipient to submit proof of the continuance of the disability claimed.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 10. Minnesota Statutes 2022, section 352B.101, is amended to read:

**352B.101 APPLICATION FOR DISABILITY BENEFIT.**

(a) Except as otherwise specified under section 352B.102 and paragraph (b), a member claiming a disability benefit must file a written application for benefits in the office of the system in a form and manner prescribed by the executive director. The member shall provide medical or psychological evidence to support the application. The benefit begins to accrue the day following the start of disability or the day following the last day for which the member was paid, whichever is later, but not earlier than 180 days before the date the application is filed with the executive director.

(b) Notwithstanding any law to the contrary, an employee, as defined in section 352B.102, subdivision 1, clause (2), who applies for a duty disability benefit based on a psychological condition,



as defined in section 352B.102, subdivision 1, clause (6), is not eligible for duty disability benefits under this chapter until the employee has satisfied the additional procedure, including all completion of treatment requirements under section 352B.102.

(c) A member claiming a disability benefit must not waive the member's right to continued health insurance coverage under section 299A.465 as part of a settlement with the member's employer or another person or entity related to an application for a disability benefit.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 11. **[352B.102] APPLICATION FOR PSYCHOLOGICAL CONDITION TREATMENT.**

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

(1) "mental illness" means the diagnosis of a mental illness by a mental health professional, by meeting the criteria for a condition or conditions included in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

(2) "employee" means an individual diagnosed with a mental illness who is a:

(i) current member under section 352B.011, subdivision 10; or

(ii) former member under section 352B.011, subdivision 10, within 18 months of termination of employment;

(3) "employing entity" means the entity that pays a state employee's salary and remits retirement contributions;

(4) "mental health professional" has the meaning given in section 245I.02, subdivision 27;

(5) "peace officer" has the meaning given in section 299A.465, subdivision 5, paragraph (a);

(6) "psychological condition" means a mental illness as defined in clause (1); and

(7) "treatment" includes but is not limited to active participation in psychological, psychopharmaceutical, and functional neurological approaches and active participation in the International Association of Fire Fighters Center of Excellence for Behavioral Health Treatment and Recovery. Treatment includes utilization of multiple treatment modalities, including chemical dependency treatment when indicated, and evidence-based trauma treatment.

Subd. 2. **Application; dual diagnosis.** (a) Notwithstanding any law to the contrary, and except as provided in paragraph (b), the procedure in this section applies to an application for a duty disability by an employee based on the employee's psychological condition.

(b) The additional procedure in this section does not apply to a duty disability application under paragraph (a) that is also based on a dual diagnosis of a physical condition. An employee with a dual diagnosis may, but is not required to, seek treatment under subdivisions 4 and 7, subject to the procedure in this section.

Subd. 3. **Approval.** (a) An employee who applies for treatment of a psychological condition that was a result of the performance of duties related to the employee's occupation must receive approval for psychological treatment as provided under this subdivision.

(b) The executive director shall grant approval to an employee who submits, in the form and manner specified by the executive director:

(1) a report by a mental health professional diagnosing the employee with a mental illness and finding that the employee is currently unable to perform the normal duties of the position held by the employee on the date of the injury, event, or onset of the mental illness on a full- or part-time basis; and

(2) documentation from the employer certifying the dates the employee was on duty in a position covered under the State Patrol plan.

(c) An employee who receives approval under this subdivision is not considered disabled for the purposes of a duty disability under section 352B.10, unless the employee completes the additional requirements under this section, receives final confirmation under subdivision 6, and applies for disability benefits under section 352B.101 before receiving duty disability benefits or related benefits.

(d) Within six business days after the application has been received by the executive director, the executive director must notify an employing entity electronically and by mail that an application for treatment of a psychological condition has been submitted by an employee and request the certification required under paragraph (b), clause (2), from the employing entity.

(e) An employer shall submit the certification required under paragraph (b), clause (2), within five business days of an employee's application, and the employee shall receive approval no later than 14 business days after the employee's application is received by the executive director, whether or not the employer's certification has been submitted. Nothing in this paragraph shall delay the treatment of the psychological condition of the employee.

Subd. 4. **Treatment required.** (a) Except as provided in paragraph (f), an employee who receives approval under subdivision 3 shall complete up to 24 consecutive weeks of active treatment modalities for the employee's diagnosed mental illness, as provided under this subdivision, before a final confirmation can be made under subdivision 6, paragraph (a). An employee's treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to the limit under subdivision 9, the employing entity shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement from the commissioner of public safety.

(b) The employee's mental health professional must assess the employee's progress in treatment monthly and at the end of the 24 weeks or earlier, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employing entity which provides salary and employing entity-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6 must be supported by a report from the employee's mental health

provider containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the treatment. A report that does not contain and support a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(c) The employee may return to full- or part-time work prior to the completion of the 24 weeks of treatment if the employee's mental health professional determines that the employee is medically able to do so.

(d) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the 24 weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employing entity's approval.

(e) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (c) or (d), except as provided under subdivision 10.

(f) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

**Subd. 5. Continuation of salary and benefits.** (a) Subject to subdivision 9, for the period that an employee is seeking psychological condition treatment approval under subdivision 3 or 6, appealing a determination thereof, or receiving treatment under subdivision 4 or 7, the employing entity shall continue:

(1) to pay, for a current employee only, the employee's full salary and employing entity-provided benefits, including any employing entity contribution to health care and retirement benefits. The employing entity must proportionally reduce the salary paid to an employee who is otherwise receiving benefits for the disability that provide compensation for all or a portion of the employee's salary for the same time period. Nothing in this paragraph requires an employing entity to pay more than 100 percent of the employee's salary;

(2) to provide health insurance benefits to the employee and to the employee's dependents, if the employee was receiving dependent coverage at the time of the injury, event, or onset of the mental illness under the employing entity's group health plan; and

(3) to provide any other employment benefits provided to the employee under the employee's currently applicable collective bargaining agreement.

(b) The treatment period required under subdivision 4 or 7 is allowable service under section 352B.011, subdivision 3.

(c) Nothing in this section prevents an employing entity from providing benefits in addition to those required by this section or otherwise affects an employee's rights with respect to any other employment benefit.

(d) If an employee is unable to receive treatment through the prescribed treatment program due to circumstances beyond the employee's control, which includes but is not limited to a lack of availability of a mental health facility or a mental health professional, the employee shall continue to receive their regular compensation, benefits, and retirement service credits until such mental

health facility or mental health professional becomes available to the employee for their treatment program. The continuation of salary and benefits allowed under this paragraph must not exceed 30 days beyond the day treatment is prescribed, except that the continuation of benefits and salary may be extended beyond 30 days if written documentation from the mental health facility or mental health professional providing the treatment start date is submitted by the employee to the executive director and the employer.

Subd. 6. **Termination or continuation of psychological condition treatment.** (a) Following completion of treatment under subdivision 4, the executive director shall confirm the treatment requirements are satisfied and make one of the following determinations:

(1) continue the approval for an additional eight weeks for the employee to complete additional treatment, as provided under subdivision 7;

(2) terminate the psychological condition treatment because the employee is:

(i) able to return to full-time work in the position held by the employee on the date of the injury, event, or onset of the mental illness; or

(ii) able to return to another vacant full-time position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness, as certified by the employer in the form and manner specified by the executive director; or

(3) confirm the employee has met the requirements under this section, after which the employee may apply for a duty disability benefit under section 352B.10.

(b) After confirmation and application under paragraph (a), clause (3), the executive director must approve the employee's application for disability benefits if the employee is eligible under sections 352B.10 and 352B.101, at which time the employee is entitled to receive disability benefits as provided under section 352B.10 and any related benefits. The disability benefit begins to accrue the day following the day on which the employer ceases to continue salary and benefits under subdivision 5 or the date permitted under section 352B.10, subdivision 2a, whichever is later.

(c) Following completion of the additional treatment requirements under subdivision 7, if applicable, the executive director must confirm the additional treatment requirements are satisfied, after which, the employee may apply for disability benefits. The executive director must approve the employee's application for disability benefits if the employee is eligible under sections 352B.10 and 352B.101, at which time the employee is entitled to receive disability benefits as provided under section 352B.10 and any related benefits. The disability benefit begins to accrue the day following the day on which the employer ceases to continue salary and benefits under subdivision 5 or the date permitted under section 352B.10, subdivision 2a, whichever is later.

(d) A fitness for duty presumption shall apply to an employee who is determined able to return to work as provided under paragraph (a), clause (2), except as provided under subdivision 10.

Subd. 7. **Additional treatment.** (a) Except as provided in paragraph (g), if, after completing the treatment required under subdivision 4, the mental health professional's report determines that the employee is making progress in treatment, and the employee's prognosis is expected to further

improve with additional treatment, the executive director shall continue the employee's initial approval under subdivision 6, paragraph (a), clause (1), and the employee shall complete up to an additional eight consecutive weeks of active treatment modalities as provided under this subdivision.

(b) Treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the employee's diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to subdivision 9, the employing entity shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement from the commissioner of public safety.

(c) The employee's mental health professional must assess the employee's progress in treatment at the end of eight weeks, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employing entity which provides salary and employing entity-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6, paragraph (c), must be supported by an updated report from the employee's mental health provider containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the additional treatment. An updated report that does not contain and support a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(d) The employee may return to full- or part-time work prior to the completion of the eight weeks of treatment if the employee's mental health professional determines that they are medically able to do so.

(e) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the eight weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employing entity's approval.

(f) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (d) or (e), except as provided under subdivision 10.

(g) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

Subd. 8. **Treatment data.** A "health record," as defined by section 144.291, subdivision 2, paragraph (c), arising from treatment sought under this section is classified as private data on individuals, as defined by section 13.02, subdivision 12, and must not be accessed by, shared with, or disclosed or disseminated to any individual, private entity, or government entity, including through discovery, search warrant, or subpoena, in any type of investigation or legal action.

Subd. 9. **Employing entity reimbursement; limit.** (a) Except as provided in paragraph (c), an employing entity subject to this section may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement of:

(1) the treatment costs incurred by the employing entity under subdivision 4 or 7; and

(2) the costs incurred to continue salary and benefits as required under subdivision 5.

(b) An employing entity must apply for the reimbursement in the form and manner specified by the commissioner of public safety.

(c) No employing entity shall be required to pay for the salary, benefits, and treatment costs required under subdivisions 4, 5, and 7 for a single employee more than three times in ten years.

Subd. 10. **Fitness for duty presumption.** (a) An employee who is cleared or determined able to return to work or light duty under subdivision 4, paragraph (e); 6, paragraph (c); or 7, paragraph (f), is presumed fit for duty, except as follows:

(1) an employing entity may request a fitness for duty exam by an independent medical provider if the exam is completed within six weeks of the employing entity receiving the determination from the treating mental health professional, and the independent medical provider's report is completed no more than six weeks later;

(2) an employee found unfit for duty by an independent medical provider under clause (1):

(i) is presumed eligible for a duty disability, as provided under subdivision 6, paragraph (a), clause (3); or

(ii) may appeal the independent medical provider's determination by requesting an examination under paragraph (c); and

(3) the fitness-for-duty timeline under this paragraph may be modified by mutual agreement of the employing entity and employee.

(b) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126; the Family Medical Leave Act, United States Code, title 29, chapter 28; or the Minnesota Human Rights Act, chapter 363A.

(c) An employee who wishes to appeal the independent medical provider's determination under paragraph (a), clause (2), item (ii), may request an examination by a qualified professional selected by the employee from a panel established by mutual agreement among the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Peace and Police Officers Association, the Minnesota Professional Fire Fighters Association, the Minnesota Chiefs of Police Association, and the Minnesota Law Enforcement Association. The panel shall consist of five licensed psychiatrists or psychologists who have expertise regarding psychological or emotional disorders and who are qualified to opine as to the employee's fitness to engage in police or firefighting duties. The agreed upon panel of qualified professionals must be submitted to the executive director and made available for use in the appeal process. If the employee fails to select a qualified professional from the panel within ten days of any notice of appeal, the employing entity may select the qualified professional from the panel. A determination made by a qualified professional under this paragraph is binding and not subject to appeal. The panel may be the same panel as the panel established under section 353.032, subdivision 10.

Subd. 11. **Report.** No later than four years after the day following final enactment of this act, the executive director, in coordination with employing entities, employees, and mental health

professionals, shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and pensions regarding the impact of this section on public safety duty disability trends and costs.

Subd. 12. **Relationship to workers' compensation.** Nothing in this section shall be construed to affect the procedures for an employee's claim for workers' compensation benefits under chapter 176 or diminish or delay an employer's or insurer's obligations related to an employee's claim for workers' compensation benefits under chapter 176, except that when an employee receives psychological condition treatment pursuant to an application approved under subdivision 3, the treatment is not compensable under chapter 176.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 12. **[352B.103] PSYCHOLOGICAL CONDITION TREATMENT ACCOUNT.**

Subdivision 1. **Account created and money appropriated.** The MSRS psychological condition treatment account is created in the special revenue fund. Money in the account is appropriated to the executive director of the Minnesota State Retirement System for administration of the psychological condition treatment under section 352B.102.

Subd. 2. **Account to defray administrative costs.** The executive director of the Minnesota State Retirement System must pay the costs of administering the psychological condition treatment under section 352B.102 using the money in the MSRS psychological condition treatment account under subdivision 1 until the money is expended.

Subd. 3. **Commissioner of public safety to pay costs when account is depleted.** When the MSRS psychological condition treatment account is depleted, the executive director of the Minnesota State Retirement System may invoice the commissioner of public safety for the costs of administering the psychological condition treatment under section 352B.102. The commissioner must pay invoices submitted by the executive director of the Minnesota State Retirement System from the public safety officer's benefit account under section 299A.42 within 30 days of receipt.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 13. Minnesota Statutes 2022, section 352B.105, subdivision 1, is amended to read:

Subdivision 1. **Termination.** Disability benefits payable under section 352B.10, subdivision 1 or 2, must terminate on the date on which the disabilitant transfers status as a disabilitant to status as a retirement annuitant.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 14. Minnesota Statutes 2022, section 353.01, subdivision 47, is amended to read:

Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an annuity or benefit from a retirement plan administered by the ~~Public Employees Retirement~~ association by having credit for sufficient allowable service under paragraph (b), (c), or (d), whichever applies.

(b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan member of the general employees retirement plan of the ~~Public Employees Retirement~~ association:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the general employees retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is 100 percent vested when the person has accrued credit for not less than five years of allowable service in the general employees retirement plan.

(c) For purposes of qualifying for an annuity or benefit as a member of the local government correctional service retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the local government correctional service retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is vested at the following percentages when the person has accrued credit for allowable service in the local government correctional service retirement plan, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and
- (vi) 100 percent after ten years.

(d) For purposes of qualifying for an annuity or benefit as a member of the ~~public employees~~ police and fire retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the public employees police and fire retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, ~~and before July 1, 2014~~, is vested at the following percentages when the person has accrued credited allowable service in the ~~public employees~~ police and fire ~~retirement~~ plan, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and



(vi) 100 percent after ten years; ~~and,~~

~~(3) a public employee who first becomes a member of the association after June 30, 2014, is vested at the following percentages when the person has accrued credit for allowable service in the public employees police and fire retirement plan, as follows:~~

~~(i) 50 percent after ten years;~~

~~(ii) 55 percent after 11 years;~~

~~(iii) 60 percent after 12 years;~~

~~(iv) 65 percent after 13 years;~~

~~(v) 70 percent after 14 years;~~

~~(vi) 75 percent after 15 years;~~

~~(vii) 80 percent after 16 years;~~

~~(viii) 85 percent after 17 years;~~

~~(ix) 90 percent after 18 years;~~

~~(x) 95 percent after 19 years; and~~

~~(xi) 100 percent after 20 or more years.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment for all members, as defined under Minnesota Statutes, section 353.01, subdivision 7, of the police and fire plan, and all former members, as defined under Minnesota Statutes, section 353.01, subdivision 7a, of the police and fire plan who have not begun to receive a retirement annuity.

Sec. 15. Minnesota Statutes 2022, section 353.031, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section applies to all disability determinations for the public employees general fund, the public employees police and fire fund, and the local government correctional service retirement plan and any other disability determination subject to approval by the board, except as otherwise specified in section 353.032, 353.33, 353.656, or 353E.05. These requirements and the requirements of section 353.03, subdivision 3, are in addition to the specific requirements of each plan and govern in the event there is any conflict between these sections and the procedures specific to any of those plans under section 353.33, 353.656, or 353E.06.

(b) Notwithstanding any law to the contrary, an employee, as defined in section 353.032, subdivision 1, clause (2), who applies for a duty disability benefit based on a psychological condition, as defined in section 353.032, subdivision 1, clause (7), is not eligible for duty disability benefits under this chapter until the employee has satisfied the additional procedure, including all completion of treatment requirements under section 353.032.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 16. Minnesota Statutes 2022, section 353.031, subdivision 3, is amended to read:

Subd. 3. **Procedure to determine eligibility; generally.** (a) Every claim for a disability benefit must be initiated in writing on an application form and in the manner prescribed by the executive director and filed with the executive director. To be valid, an application for disability benefits must be made within 18 months following termination of public service as defined under section 353.01, subdivision 11a, and include the required application form and the medical reports required by paragraph (c).

(b) All medical reports must support a finding that the disability arose before the employee was placed on any paid or unpaid leave of absence or terminated public service, as defined under section 353.01, subdivision 11a.

(c) An applicant for disability shall provide a detailed report signed by a licensed medical doctor and at least one additional report signed by a medical doctor, psychiatrist, psychologist, an APRN, or a chiropractor. The applicant ~~shall~~ must authorize the release of all medical and health care evidence, including all medical records and relevant information from any source, to support the application for initial, or the continuing payment of, disability benefits.

(d) All reports must contain an opinion regarding the ~~claimant's~~ applicant's prognosis, the duration of the disability, and the expectations for improvement. Any report that does not contain and support a finding that the disability will last for at least one year may not be relied upon to support eligibility for benefits.

(e) Where the medical evidence supports the expectation that at some point in time the ~~claimant~~ applicant will no longer be disabled, any decision granting disability may provide for a termination date upon which disability can be expected to no longer exist. In the event a termination date is made part of the decision granting benefits, prior to the actual termination of benefits, the ~~claimant~~ applicant shall have the opportunity to show that the disabling condition for which benefits were initially granted continues. In the event the benefits terminate in accordance with the original decision, the ~~claimant~~ applicant may petition for a review ~~by the board of trustees~~ under section ~~353.03, subdivision 3, 356.96~~ or may reapply for disability in accordance with these procedures and section 353.33, 353.656, or 353E.06, as applicable.

~~(f) Any claim to disability must be supported by a report from~~ Upon receipt of a valid application, the executive director must notify the employer. No later than 30 days after receiving the notification, the employer must provide a report to the executive director indicating that there is no available work that the ~~employee~~ applicant can perform in the ~~employee's~~ applicant's disabled condition and that all reasonable accommodations have been considered. Upon request of the executive director, an employer shall provide evidence of the steps the employer has taken to attempt to provide reasonable accommodations and continued employment to the ~~claimant~~ applicant. The employer shall also provide a certification of the ~~member's~~ applicant's past public service; the dates of any paid sick leave, vacation, or any other employer-paid salary continuation plan beyond the last working day; and whether or not any sick or annual leave has been allowed.

(g) An ~~employee~~ applicant who is placed on leave of absence without compensation because of a disability is not barred from receiving a disability benefit.

(h) An applicant for disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for disability benefits. If the application for disability benefits is approved, the retirement annuity application is canceled. If disability benefits are denied, the retirement annuity application must be processed upon the request of the applicant. No member of the ~~public general employees~~ general retirement plan, the ~~public employees~~ police and fire plan, or the local government correctional service retirement plan may receive a disability benefit and a retirement annuity simultaneously from the same plan.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 17. Minnesota Statutes 2022, section 353.031, subdivision 4, is amended to read:

**Subd. 4. Additional requirements; eligibility for police and fire or local government correctional service retirement plan disability benefits.** (a) If an application for disability benefits is filed within two years of the date of the injury or the onset of the illness that gave rise to the disability application, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of the injury or the onset of the illness causing the disability. The employer must provide evidence indicating whether the applicant is able or unable to perform the duties of the position held on the date of the injury or onset of the illness causing the disability, a clear explanation of any duties that the individual can or cannot perform, and an explanation of why the employer may or may not authorize continued employment to the applicant in the current or other position.

(b) If an application for disability benefits is filed more than two years after the date of injury or the onset of an illness causing the disability, the application must be supported by evidence that the applicant is unable to perform the duties that were expected to be performed by the applicant during the 90 days preceding the last day the applicant performed services for the employer. The employer must provide evidence of the duties that were expected to be performed by the applicant during the 90 days preceding the last day the applicant performed services, whether the applicant can or cannot perform those duties overall, a clear explanation of any duties that the applicant can or cannot perform, and an explanation of why the employer may or may not authorize continued employment to the applicant in the current or other position.

(c) Any report supporting a claim to disability benefits under section 353.656 or 353E.06 must specifically relate the disability to its cause; and for any claim to duty disability from an injury or illness arising out of an act of duty, the report must state the specific act of duty giving rise to the claim, and relate the cause of disability to inherently dangerous duties specific to the positions covered by the public employees police and fire plan and the local government correctional service retirement plan. Any report that does not relate the cause of disability to specific inherently dangerous duties performed by the employee may not be relied upon as evidence to support eligibility for benefits and may be disregarded in the executive director's decision-making process.

(d) Any application for duty disability must be supported by a first report of injury as defined in section 176.231.

(e) If a member who has applied for and been approved for disability benefits before the termination of service does not terminate service or is not placed on an authorized leave of absence as certified by the governmental subdivision within 45 days following the date on which the

application is approved, the application shall be canceled. If an approved application for disability benefits has been canceled, a subsequent application for disability benefits may not be filed on the basis of the same medical condition for a minimum of one year from the date on which the previous application was canceled.

(f) Notwithstanding section 353.01, subdivision 41, if the member has applied for a duty disability based on a psychological condition, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of injury or the onset of the illness or to another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 18. Minnesota Statutes 2022, section 353.031, subdivision 8, is amended to read:

Subd. 8. **Proof of ~~continuing disability~~ eligibility upon reapplication.** (a) A person must not be paid a disability benefit ~~payment must not be made~~ except upon furnishing adequate proof ~~furnished~~ to the executive director of the association that the person ~~remains~~ is disabled and, upon reapplication, that the disability is the same disability for which disability benefits were initially granted.

(b) ~~During the time when~~ At the end of each year of disability benefits are being paid, payments for the first five years of disability payments and at the end of every three years of disability payments thereafter, the person receiving the disability payments must reapply and provide proof of disability to the executive director of the association. The executive director has the right, at reasonable times between applications, to require the ~~disabled member~~ person to submit proof of the continuance of the disability claimed.

(c) Adequate proof of a disability upon reapplication must include a written expert report by a licensed physician, an APRN, or a licensed chiropractor, or, with respect to a mental impairment, a licensed psychiatrist or psychologist.

(d) The reapplication requirement may be waived by the executive director if the executive director receives a written statement from the medical adviser retained by the association under subdivision 5 that no improvement can be expected in the person's disability condition that was the basis for the payment of the disability benefit.

(e) If the person's reapplication is denied, the person bears the burden of proving eligibility for a disability benefit in an appeal under section 356.96.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 19. Minnesota Statutes 2022, section 353.031, subdivision 9, is amended to read:

Subd. 9. **Application approval or denial; decision of executive director.** Any decision of the executive director is final, except that a member whose application for disability benefits or whose ~~continuation of disability benefits~~ reapplication under subdivision 8 is denied may appeal the executive director's decision to the board of trustees ~~within 60 days of receipt of a certified letter~~

notifying the member of the decision to deny the application or continuation of benefits under section 356.96. In developing the record for review by the board when a decision is appealed, the executive director may direct that the applicant participate in a fact-finding session conducted by an administrative law judge assigned by the Office of Administrative Hearings, and, as applicable, a vocational assessment conducted by the qualified rehabilitation counselor on contract with the ~~Public Employees Retirement~~ association.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 20. Minnesota Statutes 2022, section 353.031, is amended by adding a subdivision to read:

Subd. 11. **Settlement must not include waiver of the right to continued health insurance coverage.** An applicant must not waive the applicant's right to continued health insurance coverage under section 299A.465 as part of a settlement with the applicant's employer or another person or entity related to an application for a disability benefit.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 21. **[353.032] APPLICATION FOR PSYCHOLOGICAL CONDITION TREATMENT.**

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

(1) "mental illness" means diagnosis of a mental illness by a mental health professional, and meeting the criteria for a condition or conditions included in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

(2) "employee" means an individual diagnosed with a mental illness who is a member under section 353.64 or was a member under section 353.64 within the 18 months preceding the date of the application under subdivision 2;

(3) "employer" means an employer of a current or former member of the police and fire plan;

(4) "firefighter" has the meaning given in section 299A.465, subdivision 5, paragraph (c);

(5) "mental health professional" has the meaning given in section 245I.02, subdivision 27;

(6) "peace officer" has the meaning given in section 299A.465, subdivision 5, paragraph (a);

(7) "psychological condition" means a mental illness, as defined in clause (1); and

(8) "treatment" includes but is not limited to active participation in psychological, psychopharmaceutical, and functional neurological approaches and active participation in the International Association of Fire Fighters Center of Excellence for Behavioral Health Treatment and Recovery. Treatment includes utilization of multiple treatment modalities, including chemical dependency treatment when indicated, and evidence-based trauma treatment.

Subd. 2. **Application; dual diagnosis.** (a) Notwithstanding any law to the contrary, and except as provided in paragraph (b), the procedure in this section applies to an application for a duty disability by an employee based on a psychological condition.

(b) The additional procedure in this section does not apply to a duty disability application under paragraph (a) that is also based on a dual diagnosis of a physical condition. An employee with a dual diagnosis may, but is not required to, seek treatment under subdivisions 4 and 7, subject to the procedure in this section.

Subd. 3. **Approval.** (a) An employee who applies for treatment of a psychological condition that was a result of the performance of duties related to the occupation must receive approval for psychological treatment as provided under this subdivision.

(b) The executive director shall grant approval to an employee who submits, in the form and manner specified by the executive director:

(1) a report by a mental health professional diagnosing the employee with a mental illness and finding that the employee is currently unable to perform the normal duties of the position held by the employee on the date of the injury, event, or onset of the mental illness on a full- or part-time basis; and

(2) documentation from the employer certifying the dates the employee was on duty in a position covered under the police and fire plan.

(c) An employee who receives approval under this subdivision is not considered disabled for the purposes of a duty disability under section 353.656, subdivision 1, unless the employee completes the additional requirements under this section, receives final confirmation under subdivision 6, and applies for disability benefits under section 353.031 before receiving duty disability benefits or related benefits.

(d) The executive director must notify an employing entity electronically and by mail that an application for psychological condition treatment has been submitted by an employee and request the certification required under paragraph (b), clause (2), from the employing entity within six business days after the application has been received by the executive director.

(e) An employer shall submit the certification required under paragraph (b), clause (2), within five business days of receiving notice from the executive director, and the employee shall receive approval no later than 14 business days after the employee's application is received by the executive director, whether or not the employer's certification has been submitted. Nothing in this paragraph shall delay the treatment of the psychological condition of the employee.

Subd. 4. **Treatment required.** (a) Except as provided in paragraph (f), an employee who receives approval under subdivision 3 shall complete up to 24 consecutive weeks of active treatment modalities for the employee's diagnosed mental illness, as provided under this subdivision, before a final confirmation can be made under subdivision 6. Treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to the limit under subdivision 9, the employer shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement.

(b) The employee's mental health professional must assess the employee's progress in treatment monthly and at the end of the 24 weeks or earlier, including any change to the employee's ability

to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6 must be supported by a report from the employee's mental health professional containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the treatment. A report that does not contain and support a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(c) The employee may return to full- or part-time work prior to the completion of the 24 weeks of treatment if the employee's mental health professional determines that they are medically able to do so.

(d) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the 24 weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employer's approval.

(e) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (c) or (d), except as provided under subdivision 10.

(f) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

Subd. 5. **Continuation of salary and benefits.** (a) Subject to subdivision 9, for the period that an employee is seeking psychological condition treatment approval under subdivision 3 or 6, appealing a determination thereof, or receiving treatment under subdivision 4 or 7, the employer shall continue:

(1) to pay, for a current employee only, the employee's full salary and employer-provided benefits, including any employer contribution to health care and retirement benefits. The employer must proportionally reduce the salary paid to an employee who is otherwise receiving benefits for the disability that provide compensation for all or a portion of the employee's salary for the same time period. Nothing in this paragraph requires an employer to pay more than 100 percent of the employee's salary;

(2) to provide health insurance benefits to the employee and to the employee's dependents, if the employee was receiving dependent coverage at the time of the injury, event, or onset of the mental illness under the employer's group health plan; and

(3) to provide any other employment benefits provided to the employee under the employee's currently applicable collective bargaining agreement.

(b) An employee shall obtain service credit for the treatment period required under subdivision 4 or 7.

(c) Nothing prevents an employer from providing benefits in addition to those required by this section or otherwise affects an employee's rights with respect to any other employment benefit.

(d) If an employee is unable to receive treatment through the prescribed treatment program due to circumstances beyond the employee's control, which includes but is not limited to a lack of availability of a mental health facility or a mental health professional, the employee shall continue to receive their regular compensation, benefits, and retirement service credits, until such mental health facility or mental health professional becomes available to the employee for their treatment program. The continuation of salary and benefits allowed under this paragraph must not exceed 30 days beyond the day treatment is prescribed, except that continuation of benefits and salary may be extended beyond 30 days if written documentation from the mental health facility or mental health professional providing the treatment start date is submitted by the employee to the executive director and the employer.

Subd. 6. Termination or continuation of psychological condition treatment. (a) Following completion of treatment under subdivision 4, the association shall confirm the treatment requirements are satisfied, and make one of the following determinations:

(1) continue the approval for an additional eight weeks for the employee to complete additional treatment, as provided under subdivision 7;

(2) terminate the psychological condition treatment because the employee is:

(i) able to return to full-time work in the position held by the employee on the date of the injury, event, or onset of the mental illness; or

(ii) able to return to another vacant full-time position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness, as certified by the employer in the form and manner specified by the executive director; or

(3) confirm the employee has met the requirements under section 353.032, after which the employee may apply for a duty disability benefit based on a psychological condition under section 353.031.

(b) After confirmation and application under paragraph (a), clause (3), the association must approve the employee's application for disability benefits if the employee is eligible under section 353.031, at which time the employee is entitled to receive disability benefits as provided under this section and any related benefits. The disability benefit begins to accrue the day following the day on which the employer ceases to continue salary and benefits under subdivision 5 and section 353.656, subdivision 4, paragraph (a).

(c) Following completion of the additional treatment requirements under subdivision 7, if applicable, the association shall confirm the additional treatment requirements are satisfied, after which, the employee may apply for disability benefits because the employee is eligible under section 353.031, at which time the employee is entitled to receive disability benefits as provided under this section and any related benefits. The disability benefit begins to accrue the day following the day on which the employer ceases to continue salary and benefits under subdivision 5 and section 353.656, subdivision 4, paragraph (a).

(d) A fitness for duty presumption shall apply to an employee who is determined able to return to work as provided under paragraph (a), clause (2), except as provided under subdivision 10.



Subd. 7. **Additional treatment.** (a) Except as provided in paragraph (g), if, after completing the treatment required under subdivision 4, the mental health professional's report determines that the employee is making progress in treatment, and the employee's prognosis is expected to further improve with additional treatment, the association shall continue the employee's initial approval under subdivision 6, paragraph (a), clause (1), and the employee shall complete up to an additional eight consecutive weeks of active treatment modalities as provided under this subdivision.

(b) Treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the employee's diagnosed mental illness. An employee shall not be penalized for an interruption in active, consecutive treatment that is not initiated by or resulting from an intentional action of the employee. Subject to subdivision 9, the employer shall pay for the treatment costs to the extent not paid for by the employee's health insurance and may seek reimbursement.

(c) The employee's mental health professional must assess the employee's progress in treatment at the end of eight weeks, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employer which provides salary and employer-provided benefits, including pension benefits, that are equal to or greater than those for the position held by the employee on the date of the injury, event, or onset of the mental illness. A final confirmation under subdivision 6, paragraph (b), must be supported by an updated report from the employee's mental health professional containing an opinion about the employee's prognosis, the duration of the disability, and the expectations for improvement following the additional treatment. An updated report that does not contain and support a finding that the employee's disability as a result of a psychological condition will last for at least 12 months must not be relied upon to support approval of duty disability benefits.

(d) The employee may return to full- or part-time work prior to the completion of the eight weeks of treatment if the employee's mental health professional determines that they are medically able to do so.

(e) The employee may return to light duty assignments, subject to availability of a position, prior to the completion of the eight weeks of treatment, if deemed medically appropriate by the employee's mental health professional and with the employer's approval.

(f) A fitness for duty presumption shall apply to an employee who is cleared to return to work or light duty under paragraph (d) or (e), except as provided under subdivision 10.

(g) No employee shall be required to complete treatment under this subdivision more than three times in ten years.

Subd. 8. **Treatment data.** A "health record," as defined by section 144.291, subdivision 2, paragraph (c), arising from treatment sought under this section is classified as private data on individuals, as defined by section 13.02, subdivision 12, and must not be accessed by, shared with, or disclosed or disseminated to any individual, private entity, or government entity, including through discovery, search warrant, or subpoena, in any type of investigation or legal action.

Subd. 9. **Employer reimbursement; limit.** (a) Except as provided in paragraph (c), an employer subject to this section may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement of:

(1) the treatment costs incurred by the employer under subdivision 4 or 7; and

(2) the costs incurred to continue salary and benefits as required under subdivision 5.

(b) An employer must apply for the reimbursement in the form and manner specified by the commissioner of public safety.

(c) No employer shall be required to pay for the salary, benefits, and treatment costs required under subdivisions 4, 5, and 7 for a single employee more than three times in ten years.

**Subd. 10. Fitness for duty presumption.** (a) An employee who is cleared or determined able to return to work or light duty under subdivision 4, paragraph (e); 6, paragraph (c); or 7, paragraph (f), is presumed fit for duty, except as follows:

(1) an employer may request a fitness for duty exam by an independent medical provider if the exam is completed within six weeks of the employer receiving the determination from the treating mental health professional, and the independent medical provider's report is completed no more than six weeks later;

(2) an employee found unfit for duty by an independent medical provider under clause (1):

(i) is presumed eligible for a duty disability, as provided under subdivision 6, paragraph (a), clause (3), if the employee otherwise meets the eligibility requirements under section 353.031; or

(ii) may appeal the independent medical provider's determination by requesting an examination under paragraph (c); and

(3) the fitness-for-duty timeline under this paragraph may be modified by mutual agreement of the employer and employee.

(b) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126; the Family Medical Leave Act, United States Code, title 29, chapter 28; or the Minnesota Human Rights Act, chapter 363A.

(c) An employee who wishes to appeal the independent medical provider's determination under paragraph (a), clause (2), item (ii), may request an examination by a qualified professional selected by the employee from a panel established by mutual agreement among the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Peace and Police Officers Association, the Minnesota Professional Fire Fighters Association, the Minnesota Chiefs of Police Association, and the Minnesota Law Enforcement Association. The panel shall consist of five licensed psychiatrists or psychologists who have expertise regarding psychological or emotional disorders and who are qualified to opine as to the employee's fitness to engage in police or firefighting duties. The agreed upon panel of qualified professionals must be submitted to the executive director and made available for use in the appeal process. If the employee fails to select a qualified professional from the panel within ten days of any notice of appeal, the employing entity may select the qualified professional from the panel. A determination made by a qualified professional under this item is binding and not subject to appeal. This panel may be the same panel as the panel established under section 352B.102, subdivision 10.

Subd. 11. **Report.** No later than four years after the day following final enactment of this act, the executive director, in coordination with employers, employees, and mental health professionals, shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and pensions regarding the impact of this section on public safety duty disability trends and costs.

Subd. 12. **Relationship to workers' compensation.** Nothing in this section shall be construed to affect the procedures for an employee's claim for workers' compensation benefits under chapter 176 or diminish or delay an employer's or insurer's obligations related to an employee's claim for workers' compensation benefits under chapter 176, except that when an employee receives psychological condition treatment pursuant to an application approved under subdivision 3, the treatment is not compensable under chapter 176.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

**Sec. 22. [353.033] PSYCHOLOGICAL CONDITION TREATMENT ACCOUNT.**

Subdivision 1. **Account created and money appropriated.** The PERA psychological condition treatment account is created in the special revenue fund. Money in the account is appropriated to the executive director of the Public Employees Retirement Association for administration of the psychological condition treatment under section 353.032.

Subd. 2. **Account to defray administrative costs.** The executive director of the Public Employees Retirement Association must pay the costs of administering the PERA psychological condition treatment under section 353.032 using the money in the psychological condition treatment account under subdivision 1 until the money is expended.

Subd. 3. **Commissioner of public safety to pay costs when account is depleted.** When the PERA psychological condition treatment account is depleted, the executive director of the Public Employees Retirement Association may invoice the commissioner of public safety for the costs of administering the psychological condition treatment under section 353.032. The commissioner must pay invoices submitted by the executive director of the Public Employees Retirement Association from the public safety officer's benefit account under section 299A.42 within 30 days of receipt.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 23. Minnesota Statutes 2022, section 353.335, is amended to read:

**353.335 DISABILITANT EARNINGS REPORTS.**

Subdivision 1. **Reemployment earnings reporting required.** Unless waived by the executive director, a disability benefit recipient must report all earnings from reemployment and from income from workers' compensation to the association annually by May 15 in a format prescribed by the executive director. If the form is not submitted by May 15, benefits must be suspended effective June 1. ~~If, upon receipt of the form by the association, if, the executive director determines that the disability benefit recipient is deemed by the executive director to be eligible for continued payment,~~ benefits must be reinstated retroactive to June 1. The executive director may waive the requirements in this section if the medical evidence supports that the disability benefit recipient will not have earnings from reemployment.

Subd. 2. **Workers' compensation reporting not required.** Notwithstanding subdivision 1, a recipient of disability benefits from the police and fire plan must not be required to report to the association any workers' compensation received by the recipient.

**EFFECTIVE DATE.** This section is effective January 1, 2024.

Sec. 24. Minnesota Statutes 2022, section 353.656, subdivision 1, is amended to read:

Subdivision 1. **Duty disability; computation of benefits.** (a) A member of the police and fire plan, ~~other than~~ who (1) is not a firefighter covered by section 353.6511, or a police officer covered by section 353.6512, ~~who is determined to qualify for~~ (2) has a condition that meets the definition of a duty disability as defined in under section 353.01, subdivision 41, ~~and~~ (3) has filed an application under section 353.031 that was approved by the executive director is entitled to receive disability benefits during the period of ~~such~~ disability in an amount equal to 60 percent of the member's average salary as defined ~~in~~ under section 353.01, subdivision 17a, plus an additional 3.0 percent of that average salary for each year of service in excess of 20 years.

(b) To be eligible for a benefit under paragraph (a), the member must have:

(1) not met the age and vesting requirements for a retirement annuity under section 353.651, subdivision 1; or

(2) met the age and vesting requirements under that subdivision, but does not have at least 20 years of allowable service credit.

(c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period of 60 months from the disability benefit accrual date and at the end of that period is subject to provisions of subdivision 5a.

(d) If the disability under this subdivision occurs before the member has at least five years of allowable service credit in the police and fire plan, the disability benefit must be computed on the average salary from which deductions were made for contribution to the police and fire fund.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 25. Minnesota Statutes 2022, section 353.656, subdivision 1a, is amended to read:

Subd. 1a. **Total and permanent duty disability; computation of benefits.** (a) A member of the police and fire plan, ~~other than~~ who (1) is not a firefighter covered by section 353.6511, or a police officer covered by section 353.6512, ~~whose disabling~~ (2) has a condition that meets the definition of a duty disability under section 353.01, subdivision 41, and that is also a permanent and total and permanent disability as defined in under section 353.01, subdivision 19, ~~and~~ (3) has filed an application under section 353.031 that was approved by the executive director is entitled to receive, for life, ~~a disability benefits benefit~~ in an amount equal to ~~60~~ 99 percent of the member's average salary as defined ~~in~~ under section 353.01, subdivision 17a, ~~plus an additional 3.0 percent of that average salary for each year of service in excess of 20 years.~~ Beginning July 1, 2023, a member receiving a benefit under this paragraph must receive a disability benefit in an amount equal to the greater of 99 percent of the member's average salary as defined under section 353.01,

subdivision 17a, in effect as of the date of the disability or the amount of the disability benefit the member was receiving on June 30, 2023.

(b) A disability benefit payable under paragraph (a) is subject to ~~eligibility review~~ the reapplication requirements under section 353.33, subdivision 6, but the ~~review~~ reapplication may be waived if the executive director receives a written statement from the ~~association's~~ association's medical advisor retained by the association under section 353.031, subdivision 5, that no improvement can be expected in the member's ~~disabling~~ disability condition that was the basis for payment of the benefit under paragraph (a).

(c) A member receiving a disability benefit under this subdivision who is found to no longer ~~be permanently and totally disabled~~ have a total and permanent disability as defined under section 353.01, subdivision 19, but continues to ~~meet the definition for receipt of~~ have a duty disability as defined under section 353.01, subdivision 41, is subject to subdivision 1 upon written notice from the association's medical advisor that the person is no longer ~~considered permanently and totally disabled~~ has a total and permanent disability, and may, upon application, elect an optional annuity under subdivision 1b.

(d) If a member approved for disability benefits under this subdivision dies before attaining normal retirement age as defined ~~in~~ under section 353.01, subdivision 37, paragraph (b), or within 60 months of the effective date of the disability, whichever is later, the surviving spouse is entitled to receive a survivor benefit under section 353.657, subdivision 2, paragraph (a), clause (1), if the death is the direct result of the disabling condition for which disability benefits were approved, or section 353.657, subdivision 2, paragraph (a), clause (2), if the death is not directly related to the disabling condition for which benefits were approved under this subdivision.

(e) If the election of an actuarial equivalent optional annuity is not made at the time the ~~permanent and~~ member is entitled to begin to receive total and permanent disability benefit ~~accrues~~ benefits, an election must be made within 90 days before the member attains normal retirement age as defined under section 353.01, subdivision 37, paragraph (b), or ~~having~~ has collected total and permanent disability benefits for 60 months, whichever is later. If a member receiving disability benefits who has dependent children dies, subdivision 6a, paragraph (c), applies.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 26. Minnesota Statutes 2022, section 353.656, subdivision 1b, is amended to read:

Subd. 1b. **Optional annuity election.** (a) A disabled member of the police and fire fund may elect to receive the normal disability benefit or an actuarial equivalent optional annuity. If the election of an actuarial equivalent optional annuity is made before the commencement of payment of the disability benefit, the member is entitled to begin payment of the optional annuity ~~must begin to accrue~~ on the same date as that the normal disability benefit covering only the disability benefit recipient would have accrued. would have begun. For the purpose of this subdivision, a "normal disability benefit" is a monthly benefit payable for the life of the member and equal to a percentage of the member's average salary as defined under section 353.01, subdivision 17a. The percentage is 60 percent if the disability is a duty disability under subdivision 1 or 99 percent if the disability is a total and permanent disability.

(b) If an election of an optional annuity is not made before the commencement of the disability benefit, the disability benefit recipient may elect an optional annuity:

(1) within 90 days before normal retirement age;

(2) upon the filing of an application to convert to an early retirement annuity, if electing to convert to an early retirement annuity before the normal retirement age;

(3) within 90 days before the expiration of the 60-month period for which a disability benefit is paid, if the disability benefit is payable because the disabled member did not have at least 20 years of allowable service at normal retirement age; or

(4) upon ~~being determined~~ a determination that the disability benefit recipient continues to be disabled under subdivision 1, but is no longer ~~totally and permanently disabled~~ has a total and permanent disability under subdivision 1a.

(c) If a disabled member who has named a joint and survivor optional annuity beneficiary dies before the disability benefit ceases and is recalculated under subdivision 5a, the beneficiary eligible to receive the joint and survivor annuity may elect to have the annuity converted at the times designated in paragraph (b), clause (1), (2), or (3), whichever allows for the earliest payment of a higher joint and survivor annuity option resulting from recalculation under subdivision 5a, paragraph (e).

(d) A disabled member may name a person other than the spouse as beneficiary of a joint and survivor annuity only if the spouse of the disabled member permanently waives surviving spouse coverage on the disability application form prescribed by the executive director.

(e) If the spouse of the member permanently waives survivor coverage, the dependent child or children, if any, continue to be eligible for dependent child benefits under section 353.657, subdivision 3, and the designated optional annuity beneficiary may draw the monthly benefit.

(f) Any optional annuity under this subdivision, plus dependent child benefits, if applicable, are subject to the maximum and minimum family benefit amounts specified in section 353.657, subdivision 3a.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 27. Minnesota Statutes 2022, section 353.656, subdivision 3, is amended to read:

Subd. 3. **Regular disability benefit.** (a) A member of the police and fire plan, ~~other than who~~ (1) is not a firefighter covered by section 353.6511, or a police officer covered by section 353.6512, who qualifies for (2) has at least one year of allowable service, (3) has a condition that meets the definition of a regular disability benefit as defined in under section 353.01, subdivision 46, and (4) has filed an application under section 353.031 that was approved by the executive director is entitled to receive a disability benefit, ~~after filing a valid application,~~ in an amount equal to 45 percent of the member's average salary as defined in section 353.01, subdivision 17a.

(b) To be eligible for a benefit under paragraph (a), the member must have at least one year of allowable service credit and have:

(1) not met the age and vesting requirements for a retirement annuity under section 353.651, subdivision 1; or

(2) met the age and vesting requirements under that subdivision, but does not have at least 15 years of allowable service credit.

(c) If paragraph (b), clause (2), applies, the disability benefit must be paid for a period of 60 months from the disability benefit accrual date and, at the end of that period, is subject to provisions of subdivision 5a.

(d) For a member who is employed as a full-time firefighter by the Department of Military Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs Department firefighter credited by the Minnesota State Retirement System may be used in meeting the minimum allowable service requirement of this subdivision.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 28. Minnesota Statutes 2022, section 353.656, subdivision 3a, is amended to read:

Subd. 3a. **Total and permanent regular disability; computation of benefits.** (a) A member of the police and fire plan, ~~other than~~ who (1) is not a firefighter covered by section 353.6511, or a police officer covered by section 353.6512, whose disabling (2) has a condition is determined to be that meets the definition of a regular disability under section 353.01, subdivision 46, and that is also a total and permanent and total disability as defined in under section 353.01, subdivision 19, and (3) has filed an application under section 353.031 that was approved by the executive director is entitled to receive, for life, a disability benefit in an amount equal to 45 percent of the member's average salary as defined in under section 353.01, subdivision 17a, plus an additional 3.0 percent of that average salary for each year of service in excess of 15 years.

(b) A disability benefit payable under paragraph (a) is subject to eligibility review under section 353.33, subdivision 6, but the review may be waived if the executive director receives a written statement from the association's medical advisor that no improvement can be expected in the member's disabling condition that was the basis for payment of the benefit under paragraph (a). A member receiving a disability benefit under this subdivision who is found to no longer be permanently and totally disabled ~~have a total and permanent disability as defined under section 353.01, subdivision 19, but continues to meet the definition for receipt of~~ have a regular disability as defined under section 353.01, subdivision 46, is subject to subdivision 3 upon written notice from the association's medical advisor that the person is no longer considered permanently and totally disabled has a total and permanent disability.

(c) A member approved for disability benefits under this subdivision may elect to receive a normal disability benefit or an actuarial equivalent optional annuity. If the election of an actuarial equivalent optional annuity is not made ~~at the time by the date on which the member is entitled to begin the total and permanent disability benefit accrues, and the election must be made within 90 days before the member attains normal retirement age as defined in section 353.01, subdivision 37, paragraph (b), or having collected, if later, the date on which the member receives the 60th monthly payment of the disability benefits for 60 months, whichever is later~~ benefit. No surviving spouse benefits are payable if the member dies during the period in which a normal total and permanent disability benefit is being paid. If a member receiving disability benefits who has dependent children

dies, subdivision 6a, paragraph (c), applies. For the purpose of this subdivision, a "normal disability benefit" is a monthly benefit payable for the life of the member.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 29. Minnesota Statutes 2022, section 353.656, subdivision 4, is amended to read:

Subd. 4. **Limitation on disability benefit payments.** (a) No member is entitled to receive a disability benefit payment when there remains to the member's credit unused annual leave, sick leave, or any other employer-provided salary continuation plan, or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary as a police officer, a firefighter, or a paramedic as defined in section 353.64, subdivision 10, whichever applies.

(b) This paragraph applies to members who begin disability payments before July 1, 2023, and either are not required to reapply under section 353.031, subdivision 8, or have not reached the end of one year or three years, as applicable, when reapplication under section 353.031, subdivision 8, is required. If a disabled member resumes a gainful occupation with earnings that, when added to the single life disability benefit, and workers' compensation benefit if applicable, exceed the disability benefit recipient's reemployment earnings limit, the amount of the disability benefit must be reduced during the months of employment and receipt of workers' compensation benefits, if applicable, as provided in this paragraph. The disability benefit recipient's reemployment earnings limit is the greater of:

(1) the monthly salary earned at the date of disability;<sup>2</sup> or

(2) 125 percent of the base monthly salary currently paid by the employing governmental subdivision for similar positions.

(e) The disability benefit must be reduced by one dollar for each three dollars by which the total amount of the current monthly disability benefit, any monthly workers' compensation benefits if applicable, and actual monthly earnings exceed the greater disability benefit recipient's reemployment earnings limit. In no event may the monthly disability benefit as adjusted under this subdivision exceed the disability benefit originally allowed.

(c) This paragraph applies to members who begin disability payments or are required to reapply under section 353.031, subdivision 8, on or after July 1, 2023. If a disabled member resumes a gainful occupation with earnings, the amount of the member's disability benefit must be reduced each year until normal retirement age by the sum of clauses (1) and (2), not to exceed the amount of the member's disability benefit:

(1) for members with less than 20 years of service for a duty disability benefit or less than 15 years of service for a regular disability benefit, one dollar for each dollar of reemployment earnings, but not more than the lesser of (i) and (ii), and not to exceed the employee contribution rate as defined under section 353.65, subdivision 2, multiplied by the average salary used to determine the amount of the member's disability benefit when granted:

(i) an amount equal to the employee contribution rate as defined under section 353.65, subdivision 2, multiplied by the average salary used to determine the amount of the member's disability benefit, when granted, multiplied by the difference between 20 for a duty disability benefit or 15 for a regular



disability benefit and the member's years of service, divided by 55 minus the member's age at the time of disability; or

(ii) 50 percent of the member's yearly reemployment earnings; and

(2) for all members:

(i) one dollar for every two dollars, up to 125 percent of the base monthly salary, by which the sum exceeds the base monthly salary; and

(ii) one dollar for each dollar by which the sum exceeds 125 percent of the base monthly salary;

where "sum" means the sum of the current disability benefit plus actual monthly reemployment earnings and "base monthly salary" means the base monthly salary currently paid by the employing governmental subdivision for similar positions.

(d) Paragraphs (b) and (c) do not apply to a member receiving total and permanent disability benefits under section 353.656, subdivision 1a or 3a.

**EFFECTIVE DATE.** This section is effective July 1, 2023, but a member's disability payments must not be reduced by the offsets under paragraph (c), clauses (1) and (2), until January 1, 2024.

Sec. 30. Minnesota Statutes 2022, section 353.656, subdivision 6a, is amended to read:

Subd. 6a. **Disability survivor benefits for ~~pre-July~~ members disabled before July 1, 2007, ~~disabilitants~~.** (a) If a member who is receiving a disability benefit that was granted under the laws in effect before July 1, 2007, dies before attaining normal retirement age as defined under section 353.01, subdivision 37, paragraph (b), or within five years of the effective date of the disability, whichever is later, the surviving spouse shall receive a survivor benefit under section 353.657, subdivision 2, paragraph (a), clause (2); or 2a, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1. The joint and survivor optional annuity under subdivision 2a is based on the minimum disability benefit under subdivision 1 or 3, or the deceased member's allowable service, whichever is greater.

(b) If the disability benefit was granted under the laws in effect before July 1, 2007, and the ~~disabilitant~~ disabled member is living at the age required for receipt of a retirement annuity under section 353.651, subdivision 1, or five years after the effective date of the disability, whichever is later, the disabled member may continue to receive a normal disability benefit, or the member may elect a joint and survivor optional annuity under section 353.30. The optional annuity is based on the minimum disability benefit under subdivision 1 or 3, or the member's allowable service, whichever is greater. The election of this joint and survivor annuity must occur within 90 days before attaining normal retirement age as defined under section 353.01, subdivision 37, paragraph (b), or within 90 days before the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity takes effect the first of the month following the month in which the person attains the age required for receipt of a retirement annuity under section 353.651, subdivision 1, or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later.

(c) If any disabled member dies while receiving a benefit and has a dependent child or children, the association shall grant a dependent child benefit under section 353.657, subdivision 3.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 31. Minnesota Statutes 2022, section 353.656, subdivision 10, is amended to read:

Subd. 10. ~~Accrual of benefits~~ **Entitlement to receive a disability benefit.** (a) Except for a total and permanent disability under subdivision 1a, a member is entitled to begin to receive payment of a disability benefit begins to accrue when the applicant member is no longer receiving any form of compensation, whether salary or paid leave 90 days preceding the filing of an application; or, if annual or sick leave, or any other employer-paid salary continuation plan is paid for more than the 90-day period, from the date on which the payment of salary ceased, whichever is later. Except for a total and permanent disability under subdivision 1a, no member is entitled to receive a disability benefit payment when there remains to the member's credit any unused annual leave, sick leave, or any other employer-paid salary continuation benefit, or under any other circumstances when, during the period of disability, there has been no impairment of the person's salary.

(b) Payment of the disability benefit must not continue beyond the end of the month in which entitlement has terminated. If the ~~disability~~ disabled member dies prior to negotiating the check for the month in which death occurs, payment must be made to the surviving spouse or, if none, to the designated beneficiary or, if none, to the estate.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 32. **[626.8478] WELLNESS TRAINING.**

**Subdivision 1. Learning objectives and training course.** (a) The board must create learning objectives to prepare peace officers for the stressful and traumatic events that are common to policing and teach officers methods to process and cope with the stress and trauma inherent to policing. The learning objectives must be updated as the board considers appropriate.

(b) The commissioner of public safety, in consultation with the board, must create a training course that incorporates each of the learning objectives established by the board under paragraph (a).

**Subd. 2. Preservice training required.** (a) The learning objectives developed pursuant to subdivision 1 must be included in the required curriculum of a professional peace officer education program.

(b) A person is not eligible to take the peace officer licensing examination after July 1, 2024, unless the individual has received the training described in paragraph (a).

**Subd. 3. In-service training required.** Beginning July 1, 2024, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service wellness training to every peace officer and part-time peace officer employed by the agency. The training must comply with the learning objectives developed and approved by the board and must meet board requirements for board-approved continuing education credit. A peace officer with a license renewal date after

June 30, 2024, is not required to complete this training until the officer's next full three-year licensing cycle.

Subd. 4. **Record keeping required.** The head of each local and state law enforcement agency shall maintain written records of the agency's compliance with the requirements of subdivision 3. The written records are subject to periodic review by the board and must be made available to the board at its request.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 33. **TRANSFERS TO THE PSYCHOLOGICAL CONDITION TREATMENT ACCOUNTS.**

(a) \$1,000,000 in fiscal year 2024 is transferred from the general fund to the MSRS psychological condition treatment account under Minnesota Statutes, section 352B.103.

(b) \$3,000,000 in fiscal year 2024 is transferred from the general fund to the PERA psychological condition treatment account under Minnesota Statutes, section 353.033.

(c) The transfers in paragraphs (a) and (b) are onetime.

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 34. **TRANSFERS TO THE PUBLIC SAFETY OFFICER'S BENEFIT ACCOUNT.**

\$100,000,000 in fiscal year 2024 is transferred from the general fund to the public safety officer's benefit account under Minnesota Statutes, section 299A.42, and appropriated to the commissioner of public safety for the following uses:

(1) to cover administrative costs of the Department of Public Safety to administer reimbursements under Minnesota Statutes, section 299A.465, and costs to implement and administer Minnesota Statutes, section 626.8478;

(2) to cover administrative costs of the Minnesota State Retirement System and the Public Employees Retirement Association after the respective psychological condition treatment accounts under Minnesota Statutes, section 352B.103 or 353.033, are depleted; and

(3) to fund reimbursements of public employers under Minnesota Statutes, section 299A.465.

This is a onetime transfer. If, for a fiscal year after 2024, the public safety officer's benefit account does not have enough money remaining from the \$100,000,000 transferred to it in fiscal year 2024 to cover all administrative costs and reimbursements under clauses (1) to (3), the commissioner of public safety must first cover the costs under clause (2) for the fiscal year and, if any funds remain in the public safety officer's benefit account, the commissioner must cover the costs under clause (3) next and, if any funds remain in the public safety officer's benefit account, the commissioner must cover the costs under clause (1).

**EFFECTIVE DATE.** This section is effective July 1, 2023.

Sec. 35. **REPEALER.**

Minnesota Statutes 2022, section 353.656, subdivisions 2 and 2a, are repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2024."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Senator Murphy from the Committee on State and Local Government and Veterans, to which was referred**

**H.F. No. 2950:** A bill for an act relating to retirement; making administrative changes to the statutes governing the retirement plans administered by the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teachers Retirement Association; amending eligibility to permit appointed local government officials to participate in the public employees defined contribution plan; permitting the transfer of service credit from the general public employees retirement plan to the public employees police and fire retirement plan for two employees of the Metropolitan Airports Commission; permitting eligible retired teachers in the St. Paul Teachers Retirement Fund Association to change the teacher's retirement annuity to an annuity that will pay a survivor annuity to a same-sex spouse; authorizing certain members of the higher education individual retirement account plan to elect Teachers Retirement Association coverage and receive retroactive service credit; extending the payment period for the purchase of service credit for periods of military service; increasing the cap on the employer contribution to certain trades' multiemployer pension plans; Public Employees Retirement Association statewide volunteer firefighter plan; modifying service counted in determining vesting in a retirement benefit, amending requirements applicable to a relief association after the affiliated fire department joins the statewide plan, and authorizing the Hamel and Loretto volunteer firefighter relief associations to join the statewide plan mid-year and merge; increasing the dollar threshold for requiring audited financial reports for volunteer firefighter relief associations; amending Minnesota Statutes 2022, sections 352B.08, subdivision 1; 353.01, subdivisions 2a, 2b, 15; 353.0162; 353.031, subdivision 10; 353.32, subdivision 1c; 353D.01, subdivision 2, by adding a subdivision; 353D.02, subdivision 1; 353D.03, subdivision 1; 353E.001, by adding subdivisions; 353E.07, subdivisions 3, 4, 5; 353G.01, subdivisions 8, 15, by adding subdivisions; 353G.06, subdivisions 2, 3; 353G.09, subdivisions 1, 2, by adding a subdivision; 353G.14; 354.06, subdivision 2; 354.53, subdivision 3; 354A.093, subdivision 4; 356.24, subdivision 1; 356.551, subdivision 2; 424A.014, subdivision 1; 490.1211; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Minnesota Statutes 2022, sections 353.01, subdivision 15a; 353G.01, subdivision 7; 353G.13; 490.124, subdivision 10.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Murphy from the Committee on State and Local Government and Veterans, to which was re-referred**

**S.F. No. 2404:** A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the renewal of the environment and

natural resources trust fund; establishing the environment and natural resources trust fund community grant program; appropriating money; amending Minnesota Statutes 2022, section 349A.08, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 116P; proposing coding for new law as Minnesota Statutes, chapter 116X.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**CONSTITUTIONAL AMENDMENT**

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 14, will read:

Sec. 14. A permanent environment and natural resources trust fund is established in the state treasury. ~~Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law.~~ The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The assets of the fund shall not be used to pay the principal or interest of any bonds. The assets of the fund shall not be used to pay for any costs related to the construction, repair, improvement, or operation of any facility or system that processes wastewater, but may be used to pay for research related to wastewater. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to ~~5-1/2~~ seven percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund ~~until the year 2025~~ through December 31, 2050.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2024 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to protect drinking water sources and the water quality of lakes, rivers, and streams; conserve wildlife habitat and natural areas; improve air quality; and expand access to parks and trails by extending the transfer of proceeds from the state-operated lottery to the environment and natural resources trust fund, and to dedicate the proceeds for these purposes?"

Yes .....  
No .....

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Environment and Natural Resources Trust Fund Renewal."

## ARTICLE 2

### STATUTORY CHANGES

#### Section 1. [116P.011] CHAPTER DOES NOT APPLY TO CERTAIN APPROPRIATIONS.

This chapter does not apply to appropriations from the environment and natural resources trust fund under section 116X.03 or to projects funded with those appropriations.

**EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

#### Sec. 2. [116X.01] DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Advisory council.** "Advisory council" means the council created under section 116X.05.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of natural resources.

Subd. 4. **Grant program.** "Grant program" means the program established under section 116X.03.

**EFFECTIVE DATE.** This section is effective the date following the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

#### Sec. 3. [116X.03] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT PROGRAM.

Subdivision 1. **Establishment; grants.** (a) The commissioner must establish the environment and natural resources trust fund community grant program for the benefit of current residents and future generations.

(b) The commissioner must award grants under the program for purposes that are authorized under Minnesota Constitution, article XI, section 14, but that have not traditionally been funded from that source. The commissioner must provide at least two grant award cycles per calendar year and must ensure that grants are awarded and deployed under the program as expeditiously as possible.

Subd. 2. **Priority.** In awarding grants under this section, the commissioner must give priority to awarding grants to partner organizations that will fund projects that will:

(1) be undertaken in census tracts that are overburdened or underserved, including communities disproportionately affected by agriculture loss, building loss, wildfire risk, low incomes, high energy

costs, rates of asthma, rates of diabetes, rates of heart disease, low life expectancy, high housing costs, lack of green space, lack of indoor plumbing, presence of lead paint, proximity to hazardous waste and related facilities, particulate matter exposure, linguistic isolation, or unemployment; and

(2) provide multiple public benefits.

Subd. 3. **Appropriation.** (a) Each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, 1.5 percent of the market value of the environment and natural resources trust fund on June 30 one year before the start of the biennium is appropriated to the commissioner of natural resources to provide grants under the grant program.

(b) Money appropriated from the trust fund under this subdivision must be used to supplement traditional sources of funding environment and natural resources activities and may not be used as a substitute.

(c) Any appropriated funds not encumbered before the appropriation expires must be credited to the principal of the trust fund.

Subd. 4. **Administrative expenses.** (a) Up to five percent of the money appropriated to the commissioner under subdivision 3 may be used by the commissioner for administering and monitoring grants under this section.

(b) A recipient of a grant awarded under this section may not use more than five percent of the grant for administrative expenses.

Subd. 5. **Improper expenditure of funds.** The commissioner may require a recipient of a grant under this section to return all money awarded to the recipient if the recipient does not use the money to complete the project in accordance with the applicable agreement.

Subd. 6. **Reporting.** By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources on the administration of this section during the previous fiscal year, including administrative expenses and the grants awarded.

**EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election, this section is effective January 1, 2025.

Sec. 4. **[116X.05] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANT ADVISORY COUNCIL; REPORTING.**

Subdivision 1. **Establishment.** The commissioner of natural resources must establish an Environment and Natural Resources Trust Fund Community Grant Advisory Council.

Subd. 2. **Membership; terms.** (a) The commissioner, in consultation with the commissioners of health and of the Pollution Control Agency, must appoint 11 residents of Minnesota to the advisory council and the appointees must include:

(1) two members who are members of the Ojibwe Tribe;

(2) two members who are members of the Dakota Tribe; and

(3) four members who identify as Black or African American, Hispanic or Latino, Asian, or Pacific Islander or as members of a community of color.

(b) In addition to the members appointed under paragraph (a), the commissioner, in consultation with the commissioners of health and of the Pollution Control Agency, may appoint up to eight additional residents of Minnesota to the advisory council when, in the commissioner's discretion, it is necessary in order to ensure that the advisory council is sufficiently representative of various Minnesota communities.

(c) The commissioner must make appointments to the advisory council under this subdivision that result in substantially equal representation of rural, suburban, and urban communities.

(d) The membership appointed under paragraphs (a) and (b) must include persons who:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources, including expertise in understanding the cultural context in which these activities are undertaken from the perspective of Tribal communities;

(2) have strong knowledge of the state's environment and natural resource issues around the state, including those that are of particular importance to Tribal communities; and

(3) have demonstrated the ability to work in a collaborative environment.

(e) Members shall serve staggered three-year terms, beginning in January of the first year and continuing through the end of December of the final year. Members continue to serve until their replacement is named. Initial appointees may be appointed to terms of less than three years in order to establish a structure of staggered terms.

(f) A registered lobbyist may not be appointed to the advisory council under this subdivision.

Subd. 3. **Duties.** (a) The advisory council must:

(1) advise the commissioner on the development of criteria, forms, applications, and reporting for grants awarded under the grant program created in section 116X.03;

(2) review proposed grant program policies and budgets for the upcoming year;

(3) propose changes to the grant program as needed;

(4) review other relevant information;

(5) make recommendations to the legislature and the commissioner for improving management of the grant program; and



(6) review and advise on recipient eligibility.

(b) The commissioner must provide the council with the information required to perform its duties under this subdivision.

Subd. 4. **Per diem.** Members of the council are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3.

**EFFECTIVE DATE.** This section is effective the date following the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

**Sec. 5. COUNCIL ORGANIZATION; REPORT.**

By January 15, 2026, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources on the organizational structure and membership of the Environment and Natural Resources Trust Fund Community Grant Advisory Council required under Minnesota Statutes, section 116X.05.

**EFFECTIVE DATE.** This section is effective the date following the day on which the constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general election.

**Sec. 6. INITIAL REPORTING DATES.**

Notwithstanding Minnesota Statutes, section 116X.03, subdivision 6, the commissioner of natural resources is not required to submit the report required under that section before February 1, 2027.

**Sec. 7. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. **Financial information required; determination of ability to perform.** Before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grants that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single-source, or sole-source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, the chair and ranking minority member of the Ways and Means Committee in the house of representatives, the chair and ranking minority member of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns.

If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency grant policy."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Dibble from the Committee on Transportation, to which was referred the following appointment:**

METROPOLITAN COUNCIL  
CHAIR  
Charles Zelle

Reports the same back with the recommendation that the appointment be confirmed.

Senator Dziejdzic moved that the foregoing committee report be laid on the table. The motion prevailed.

## **SECOND READING OF HOUSE BILLS**

H.F. No. 2 was read the second time.

## **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Housley, Coleman, Rarick, Drazkowski, and Utke introduced--**

**S.F. No. 3322:** A bill for an act relating to transportation; taxes; establishing a temporary reduction in the rates of the motor fuels tax; making transfers; appropriating money.

Referred to the Committee on Transportation.

**Senator Frentz introduced--**

**S.F. No. 3323:** A bill for an act relating to capital investment; appropriating money for the Minnesota River State Trail; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**MOTIONS AND RESOLUTIONS**

Senator Nelson moved that her name be stricken as a co-author to S.F. No. 1959. The motion prevailed.

Senator Cwodzinski moved that the name of Senator McEwen be added as a co-author to S.F. No. 3314. The motion prevailed.

Senator Westrom moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 3321. The motion prevailed.

Senator Pappas moved that H.F. No. 670, No. 96 on General Orders, be stricken and re-referred to the Committee on Finance.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim, Howe, and Lang.

The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Pappas moved that H.F. No. 669 be taken from the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim, Howe, and Lang.

The motion prevailed.

**H.F. No. 669:** A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; authorizing the conveyance of state bond-financed property; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 16A.966, subdivision 2; 116J.417, subdivision 2; 134.45, subdivision 5; 174.38, subdivisions 1, 3; Laws 2018, chapter 214, article 1, sections 7, subdivisions 7, 9, 11, 18; 16, subdivisions 14, 19, as amended; 17, subdivision 7, as amended; 18, subdivision 5; 21, subdivisions 17, 29, as amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 7, subdivisions 12, 24; 15, subdivision 6; 16, subdivisions 4, 11, 26; 17, subdivisions 7, 13; 20, subdivision 11; 21, subdivisions 36, 46, 48; 22, subdivision 33, as amended; article 3, section 2, subdivision 2; Laws 2021, First Special Session chapter 14, article 11, section 42; proposing coding for new law in Minnesota Statutes, chapters 116J; 446A.

Senator Pappas moved that H.F. No. 669 be re-referred to the Committee on Finance.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim, Howe, and Lang.

The motion prevailed.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Putnam moved that the appointments withdrawn from the Committee on Agriculture, Broadband, and Rural Development and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

#### **BOARD OF ANIMAL HEALTH**

Peggy Hawkins  
Jessica Koppien-Fox  
Erica Sawatzke  
Alex Stade

#### **MINNESOTA RURAL FINANCE AUTHORITY**

Carol Anderson  
Shelly DePestel  
Eric Sannerud  
Harold Wolle Jr.

The motion prevailed.

Senator Cwodzinski moved that the appointments withdrawn from the Committee on Education Policy and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

#### **BOARD OF THE PERPICH CENTER FOR ARTS EDUCATION**

Linda Brobeck  
Molly Chase  
LaTia Childers  
Paul Hustoles  
Leslie LeCuyer  
Yolonde Lee  
Dan Loritz  
Janet Mohr  
Rebecca Lynn Petersen  
Ronald Salazar  
Julia Workman

#### **BOARD OF THE MINNESOTA STATE ACADEMIES**

Jessica Eggert  
Oluwagbenga Ogungbe  
Jamie Speier

#### **BOARD OF SCHOOL ADMINISTRATORS**

Nancy Antoine

Jill Lofald  
Tracy Reimer  
Melissa Schaller  
Louise Sundin  
Christine Tucci Osorio  
Scott Wallner

PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD

Julie Coffey  
Jessica Cook  
Reuben Moore  
Lucy Payne  
Brian Rappe  
May Thor  
Amy York

The motion prevailed.

Senator Hawj moved that the appointments withdrawn from the Committee on Environment, Climate, and Legacy and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

CLEAN WATER COUNCIL

Steven Besser  
Richard Biske  
Richard Brainerd  
Kelly Gribauval-Hite  
Victoria Reinhardt  
Peter Schwagerl  
Marcie Weinandt

LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

Rita Albrecht  
William Faber  
Nancy Gibson  
Seth Moore  
Jeremy Peichel

LESSARD-SAMS OUTDOOR HERITAGE COUNCIL

David Hartwell  
Jamie Swenson

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Peter Bakken  
Joseph Bauerkemper  
Kenneth Foster  
Rylee Hince  
Nicholas Martin  
Paul Nelson  
Mehmet Konar-Stenberg

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 53 and nays 6, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Koran	Mitchell	Rasmusson
Bahr	Dziedzic	Kreun	Mohamed	Rest
Boldon	Fateh	Kunesh	Morrison	Seeberger
Carlson	Gustafson	Kupec	Murphy	Utke
Champion	Hauschild	Lang	Oumou Verbeten	Weber
Coleman	Hawj	Latz	Pappas	Westlin
Cwodzinski	Hoffman	Limmer	Pha	Westrom
Dahms	Housley	Mann	Port	Wiklund
Dibble	Jasinski	Marty	Pratt	Xiong
Dornink	Johnson	Maye Quade	Putnam	
Draheim	Klein	McEwen	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim and Lang.

Those who voted in the negative were:

Anderson	Gruenhagen	Lucero
Drazkowski	Lieske	Mathews

The motion prevailed.

Senator Wiklund moved that the appointments withdrawn from the Committee on Health and Human Services and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

#### EMERGENCY MEDICAL SERVICES REGULATORY BOARD

Aaron Burnett  
 Anthony Chu  
 Scott Hable  
 Paula Kocken  
 Amber Lage  
 Sara Rybarczyk  
 Scott Saehr

#### MNSURE BOARD

David Fisher  
 Jessica Kennedy  
 Suyapa Miranda  
 Stephanie Stoffel  
 Daniel Trajano  
 Andrew Whitman

The motion prevailed.

Senator Fateh moved that the appointments withdrawn from the Committee on Higher Education and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.



BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Victor Ayemobuwa  
Alexander Cirillo, Jr.  
John Crowles  
Dawn Erlandson  
Jim Grabowska  
Timothy Huebsch  
Jerry Janezich  
Roger Moe  
Javier Morillo  
April Ho-Nishimura  
Kathleen Sheran  
George Soule  
Cheryl Tefer

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Mikeya Griffin  
Mary Ives  
David Rowland  
Nancy Sampair  
Raymond VinZant  
Mary Yang Thao

The motion prevailed.

Senator Port moved that the appointments withdrawn from the Committee on Housing and Homelessness Prevention and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

MINNESOTA HOUSING FINANCE AGENCY

Melanie Benjamin  
John DeCramer  
Stephen Spears  
Terri Thao

The motion prevailed.

Senator Latz moved that the appointments withdrawn from the Committee on Judiciary and Public Safety and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

BOARD ON JUDICIAL STANDARDS

Scott Fischer  
Theresa Harris  
Scott Sakaguchi  
Debbie Toberman

The motion prevailed.

Senator McEwen moved that the appointments withdrawn from the Committee on Labor and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

BOARD OF ELECTRICITY

Sarah Gudmunson  
Steve Haiby  
Michael Hanson  
Jeff Heimerl  
Travis Thul  
Desiree Weigel

BOARD OF HIGH PRESSURE PIPING SYSTEMS

Matthew Marquis  
Patrick McCullough  
Steven Plieseis  
Roger Thein  
Mark Worms

PLUMBING BOARD

Karl Abrahamson  
Richard Becker  
Michael Dryke  
Kent Erickson  
Michael Herman  
Jonathan Lemke  
Justin Parizek

WORKERS' COMPENSATION COURT OF APPEALS

Thomas Christenson  
Sean M. Quinn  
David A. Stofferahn  
Deborah K. Sundquist

The motion prevailed.

Senator Murphy moved that the appointments withdrawn from the Committee on State and Local Government and Veterans and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

BOARD OF THE ARTS

Uri Camarena  
Michael Charron  
Richard Cohen  
Anthony Gardner  
Ken Martin  
Nichole Melton-Mitchell  
Phillip McKenzie  
Dobson West

Christina Woods

GAMBLING CONTROL BOARD

William English  
Janet Lorenzo  
James Nardone  
Norm Pint

MINNESOTA RACING COMMISSION

Barbara Colombo  
Raymond Dehn  
Dan Erhart  
Alan Gingold  
Lisa Goodman  
Julie Idelkope  
Roy Johnson  
David Koob  
Camille McArdle

MINNESOTA STATE LOTTERY  
EXECUTIVE DIRECTOR

Adam Prock

The motion prevailed.

Senator Dziejdzic, for Senator Champion, moved that the appointments withdrawn from the Committee on Jobs and Economic Development and placed on the Confirmation Calendar under Senate Rule 8.2, reported in the Journal for May 3, 2023, be returned to the committee from which they were withdrawn.

DESTINATION MEDICAL CENTER CORPORATION

Jim Campbell  
Paul Williams

The motion prevailed.

**SPECIAL ORDERS**

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

H.F. No. 717.

**SPECIAL ORDER**

**H.F. No. 717:** A bill for an act relating to transportation; designating a segment of marked Trunk Highway 5 in Chanhassen as Prince Rogers Nelson Memorial Highway; modifying the Augie Mueller Memorial Highway; amending Minnesota Statutes 2022, section 161.14, subdivision 40, by adding a subdivision.

Senator Coleman moved that the amendment made to H.F. No. 717 by the Committee on Rules and Administration in the report adopted April 25, 2023, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 717 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 5, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Klein	Mathews	Putnam
Boldon	Fateh	Koran	Maye Quade	Rarick
Carlson	Frentz	Kreun	McEwen	Rasmusson
Champion	Gustafson	Kunesh	Mitchell	Rest
Coleman	Hauschild	Kupec	Mohamed	Seeberger
Cwodzinski	Hawj	Lang	Murphy	Utke
Dibble	Hoffman	Latz	Oumou Verbeten	Weber
Dornink	Housley	Lieske	Pappas	Westlin
Draheim	Howe	Limmer	Pha	Westrom
Drazkowski	Jasinski	Mann	Port	Wiklund
Duckworth	Johnson	Marty	Pratt	Xiong

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

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Draheim, Howe, and Lang.

Those who voted in the negative were:

Anderson	Bahr	Dahms	Gruenhagen	Lucero
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So the bill passed and its title was agreed to.

### RECESS

Senator Dziedzic 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 Dziedzic from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1938: Senators Rest, Klein, Dibble, Weber, and Hauschild.

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

**MEMBERS EXCUSED**

Senators Eichorn, Farnsworth, Green, Miller, and Wesenberg were excused from the Session of today. Senator Nelson was excused from the Session of today at 11:15 a.m. Senator Westrom was excused from the Session of today from 11:15 to 11:25 a.m.

**ADJOURNMENT**

Senator Dziejcz moved that the Senate do now adjourn until 11:00 a.m., Monday, May 8, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

