

ONE HUNDRED ELEVENTH DAY

St. Paul, Minnesota, Friday, May 3, 2024

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Lisa Janke.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Hoffman moved that the following members be excused for a Conference Committee on S.F. No. 4399 at 10:15 a.m.:

Senators Hoffman, Mann, and Utke. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 19, 2024

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

CLEAN WATER COUNCIL

Trista Martinson, 15 W. Kellogg Blvd., Saint Paul, in the county of Ramsey, effective April 24, 2024, for a term expiring on January 3, 2028.

(Referred to the Committee on Environment, Climate, and Legacy.)

Sincerely,
Tim Walz, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2609, 3757, and 4300.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 2, 2024

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2609: A bill for an act relating to public safety; requiring a report on gun trafficking investigations and firearm seizures by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams; amending the definition of trigger activator; increasing penalties for transferring firearms to certain persons who are ineligible to possess firearms; amending Minnesota Statutes 2022, section 624.7141; Minnesota Statutes 2023 Supplement, sections 299A.642, subdivision 15; 609.67, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 5153, now on General Orders.

H.F. No. 3757: A bill for an act relating to public safety; establishing a felony offense for reporting a fictitious emergency and directing the emergency response to the home of certain individuals; making a conforming change; amending Minnesota Statutes 2022, section 609.78, subdivision 3, by adding a subdivision.

Senator Murphy, Chair of the Committee on Rules and Administration, moved that H.F. No. 3757 be laid on the table. The motion prevailed.

H.F. No. 4300: A bill for an act relating to firearms; establishing standards for the safe storage of firearms and criminal penalties for failing to meet those standards; appropriating money; amending Minnesota Statutes 2022, section 609.666.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4312, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 5048: A bill for an act relating to natural resources; facilitating oil and gas exploration and production leases on state-owned land; authorizing rulemaking; developing recommendations to the legislature for gas and oil regulatory framework; requiring a report on geologic carbon sequestration within the state; appropriating money; amending Minnesota Statutes 2022, section 93.25, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 93.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

H.F. No. 2476 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
2476	2437

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2476 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2476, the third engrossment; and insert the language after the enacting clause of S.F. No. 2437; further, delete the title of H.F. No. 2476, the third engrossment; and insert the title of S.F. No. 2437.

And when so amended H.F. No. 2476 will be identical to S.F. No. 2437, and further recommends that H.F. No. 2476 be given its second reading and substituted for S.F. No. 2437, 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 Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 3488 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3488	3496				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3488 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3488, the third engrossment; and insert the language after the enacting clause of S.F. No. 3496, the third engrossment; further, delete the title of H.F. No. 3488, the third engrossment; and insert the title of S.F. No. 3496, the third engrossment.

And when so amended H.F. No. 3488 will be identical to S.F. No. 3496, and further recommends that H.F. No. 3488 be given its second reading and substituted for S.F. No. 3496, 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 Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 3911 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3911	3887				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3911 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3911, the third engrossment; and insert the language after the enacting clause of S.F. No. 3887, the second engrossment; further, delete the title of H.F. No. 3911, the third engrossment; and insert the title of S.F. No. 3887, the second engrossment.

And when so amended H.F. No. 3911 will be identical to S.F. No. 3887, and further recommends that H.F. No. 3911 be given its second reading and substituted for S.F. No. 3887, 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 Murphy, from the Committee on Rules and Administration, to which was referred

H.F. No. 5040 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
5040	4643				

and that the above 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. Report adopted.

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

H.F. No. 5242 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
5242	5284				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 5242 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 5242, the third engrossment; and insert the language after the enacting clause of S.F. No. 5284, the second engrossment; further, delete the title of H.F. No. 5242, the third engrossment; and insert the title of S.F. No. 5284, the second engrossment.

And when so amended H.F. No. 5242 will be identical to S.F. No. 5284, and further recommends that H.F. No. 5242 be given its second reading and substituted for S.F. No. 5284, 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 Dziezic from the Committee on State and Local Government and Veterans, to which was referred

H.F. No. 4247: A bill for an act relating to health; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; appropriating money; amending Minnesota Statutes 2022, sections 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 149A; 156; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 148D.061, subdivision 9; 156.12, subdivision 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSFER CARE SPECIALISTS

Section 1. Minnesota Statutes 2022, section 149A.01, subdivision 3, is amended to read:

Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter, nothing in this chapter shall in any way interfere with the duties of:

(1) an anatomical bequest program located within an accredited school of medicine or an accredited college of mortuary science;

(2) a person engaged in the performance of duties prescribed by law relating to the conditions under which unclaimed dead human bodies are held subject to anatomical study;

(3) authorized personnel from a licensed ambulance service in the performance of their duties;

(4) licensed medical personnel in the performance of their duties; or

(5) the coroner or medical examiner in the performance of the duties of their offices.

(b) This chapter does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the ceremonial washing, dressing, casketing, and public transportation of their dead, to the extent that all other provisions of this chapter are complied with.

(c) Noncompensated persons with the right to control the dead human body, under section 149A.80, subdivision 2, may remove a body from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body, provided that all actions are in compliance with this chapter.

(d) Persons serving internships pursuant to section 149A.20, subdivision 6, ~~or~~ students officially registered for a practicum or clinical through a program of mortuary science accredited by the American Board of Funeral Service Education; or transfer care specialists registered pursuant to section 149A.47 are not required to be licensed, provided that the persons ~~or~~ students, or transfer care specialists are registered with the commissioner and act under the direct and exclusive supervision of a person holding a current license to practice mortuary science in Minnesota.

(e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit an institution or entity from establishing, implementing, or enforcing a policy that permits only persons licensed by the commissioner to remove or cause to be removed a dead body or body part from the institution or entity.

(f) An unlicensed person may arrange for and direct or supervise a memorial service if that person or that person's employer does not have charge of the dead human body. An unlicensed person may not take charge of the dead human body, unless that person has the right to control the dead human body under section 149A.80, subdivision 2, or is that person's noncompensated designee.

Sec. 2. Minnesota Statutes 2022, section 149A.02, subdivision 13a, is amended to read:

Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance of an individual. For the purpose of a clinical, practicum, or internship, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee. For the purpose of a transfer care specialist, direct supervision means that the supervisor is available by being physically present or by telephone to advise and correct, as needed, the performance of the transfer care specialist. ~~The supervising mortician supervisor~~ is accountable for the actions of the clinical student, practicum student, or intern throughout the course of the training. The supervising mortician is accountable for any violations of law or rule, in the performance of their duties, by the clinical student, practicum student, ~~or intern, or transfer care specialist.~~

Sec. 3. Minnesota Statutes 2022, section 149A.02, is amended by adding a subdivision to read:

Subd. 37d. **Transfer care specialist.** "Transfer care specialist" means an individual who is registered with the commissioner in accordance with section 149A.47 and is authorized to perform the removal of a dead human body from the place of death under the direct supervision of a licensed mortician.

Sec. 4. Minnesota Statutes 2022, section 149A.03, is amended to read:

149A.03 DUTIES OF COMMISSIONER.

The commissioner shall:

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

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

(ii) licensure, registration, and professional conduct of funeral directors, morticians, interns, practicum students, ~~and~~ clinical students, and transfer care specialists;

(iii) licensing and operation of a funeral establishment;

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

(v) licensing and operation of a crematory;

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

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

(4) maintain a record of the name and location of all current licensees ~~and~~ interns, and transfer care specialists;

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 149A.09, is amended to read:

**149A.09 DENIAL; REFUSAL TO REISSUE; REVOCATION; SUSPENSION;
LIMITATION OF LICENSE, REGISTRATION, OR PERMIT.**

Subdivision 1. **Denial; refusal to renew; revocation; and suspension.** The regulatory agency may deny, refuse to renew, revoke, or suspend any license, registration, or permit applied for or issued pursuant to this chapter when the person subject to regulation under this chapter:

(1) does not meet or fails to maintain the minimum qualification for holding a license, registration, or permit under this chapter;

(2) submits false or misleading material information to the regulatory agency in connection with a license, registration, or permit issued by the regulatory agency or the application for a license, registration, or permit;

(3) violates any law, rule, order, stipulation agreement, settlement, compliance agreement, license, registration, or permit that regulates the removal, preparation, transportation, arrangements for disposition, or final disposition of dead human bodies in Minnesota or any other state in the United States;

(4) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States. "Conviction," as used in this subdivision, includes a conviction for an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned, but the adjudication of guilt is either withheld or not entered;

(5) is convicted of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea in any court in Minnesota or any other jurisdiction in the United States that the regulatory agency determines is reasonably related to the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or the practice of mortuary science;

(6) is adjudicated as mentally incompetent, mentally ill, developmentally disabled, or mentally ill and dangerous to the public;

(7) has a conservator or guardian appointed;

(8) fails to comply with an order issued by the regulatory agency or fails to pay an administrative penalty imposed by the regulatory agency;

(9) owes uncontested delinquent taxes in the amount of \$500 or more to the Minnesota Department of Revenue, or any other governmental agency authorized to collect taxes anywhere in the United States;

(10) is in arrears on any court ordered family or child support obligations; or

(11) engages in any conduct that, in the determination of the regulatory agency, is unprofessional as prescribed in section 149A.70, subdivision 7, or renders the person unfit to practice mortuary science or to operate a funeral establishment or crematory.

Subd. 2. Hearings related to refusal to renew, suspension, or revocation of license, registration, or permit. If the regulatory agency proposes to deny renewal, suspend, or revoke a license, registration, or permit issued under this chapter, the regulatory agency must first notify, in writing, the person against whom the action is proposed to be taken and provide an opportunity to request a hearing under the contested case provisions of sections 14.57 to 14.62. If the subject of the proposed action does not request a hearing by notifying the regulatory agency, by mail, within

20 calendar days after the receipt of the notice of proposed action, the regulatory agency may proceed with the action without a hearing and the action will be the final order of the regulatory agency.

Subd. 3. **Review of final order.** A judicial review of the final order issued by the regulatory agency may be requested in the manner prescribed in sections 14.63 to 14.69. Failure to request a hearing pursuant to subdivision 2 shall constitute a waiver of the right to further agency or judicial review of the final order.

Subd. 4. **Limitations or qualifications placed on license, registration, or permit.** The regulatory agency may, where the facts support such action, place reasonable limitations or qualifications on the right to practice mortuary science ~~or~~ to operate a funeral establishment or crematory, or to perform activities or actions permitted under this chapter.

Subd. 5. **Restoring license, registration, or permit.** The regulatory agency may, where there is sufficient reason, restore a license, registration, or permit that has been revoked, reduce a period of suspension, or remove limitations or qualifications.

Sec. 6. Minnesota Statutes 2022, section 149A.11, is amended to read:

149A.11 PUBLICATION OF DISCIPLINARY ACTIONS.

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the regulatory agencies. The publication shall include, for each disciplinary measure or action taken, the name and business address of the licensee ~~or~~ intern, or transfer care specialist; the nature of the misconduct; and the measure or action taken by the regulatory agency.

Sec. 7. 149A.47 TRANSFER CARE SPECIALIST.

Subdivision 1. **General.** A transfer care specialist may remove a dead human body from the place of death under the direct supervision of a licensed mortician if the transfer care specialist is registered with the commissioner in accordance with this section. A transfer care specialist is not licensed to engage in the practice of mortuary science and shall not engage in the practice of mortuary science except as provided in this section. A transfer care specialist must be an employee of a licensed funeral establishment.

Subd. 2. **Registration.** (a) To be eligible for registration as a transfer care specialist, an applicant must submit to the commissioner:

(1) a completed application on a form provided by the commissioner that includes at a minimum:

(i) the applicant's name, home address and telephone number, business name, business address and telephone number, and email address; and

(ii) the name, license number, business name, and business address and telephone number of the supervising licensed mortician;

(2) proof of completion of a training program that meets the requirements specified in subdivision 4; and

(3) the appropriate fee specified in section 149A.65.

(b) All transfer care specialist registrations are valid for one calendar year, beginning on January 1 and ending on December 31 regardless of the date of issuance. Fees shall not be prorated.

Subd. 3. **Duties.** (a) A transfer care specialist registered under this section is authorized to perform the removal of a dead human body from the place of death in accordance with this chapter to a licensed funeral establishment. A transfer care specialist must comply with the universal precaution requirements in section 149A.91, subdivision 1, when handling a dead human body.

(b) A transfer care specialist must work under the direct supervision of a licensed mortician. The supervising mortician is responsible for the work performed by the transfer care specialist. A licensed mortician may supervise up to four transfer care specialists at any one time.

Subd. 4. **Training program and continuing education.** (a) Each transfer care specialist must complete a training program prior to initial registration. A training program must be at least seven hours long and must cover, at a minimum, the following:

(1) ethical care and transportation procedures for a deceased person;

(2) health and safety concerns to the public and the individual performing the transfer of the deceased person, and the use of universal precautions and other reasonable precautions to minimize the risk for transmitting communicable diseases; and

(3) all relevant state and federal laws and regulations related to the transfer and transportation of deceased persons.

(b) A transfer care specialist must complete three hours of continuing education annually on content described in paragraph (a), clauses (1) to (3), and submit evidence of completion with the individual's registration renewal.

Subd. 5. **Renewal.** (a) A registration issued under this section expires on December 31 of the calendar year in which the registration was issued and must be renewed to remain valid.

(b) To renew a registration, a transfer care specialist must submit to the commissioner a completed renewal application as provided by the commissioner and the appropriate fee specified in section 149A.65. The renewal application must include proof of completion of the continuing education requirements in subdivision 4.

Sec. 8. Minnesota Statutes 2022, section 149A.60, is amended to read:

149A.60 PROHIBITED CONDUCT.

The regulatory agency may impose disciplinary measures or take disciplinary action against a person whose conduct is subject to regulation under this chapter for failure to comply with any provision of this chapter or laws, rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, and permits adopted; or issued for the regulation of the removal, preparation, transportation, arrangements for disposition or final disposition of dead human bodies, or for the regulation of the practice of mortuary science.

Sec. 9. Minnesota Statutes 2022, section 149A.61, subdivision 4, is amended to read:

Subd. 4. **Licensees ~~and~~, interns, and transfer care specialists.** A licensee ~~or~~ intern, or transfer care specialist regulated under this chapter may report to the commissioner any conduct that the licensee ~~or~~ intern, or transfer care specialist has personal knowledge of, and reasonably believes constitutes grounds for, disciplinary action under this chapter.

Sec. 10. Minnesota Statutes 2022, section 149A.61, subdivision 5, is amended to read:

Subd. 5. **Courts.** The court administrator of district court or any court of competent jurisdiction shall report to the commissioner any judgment or other determination of the court that adjudges or includes a finding that a licensee ~~or~~ intern, or transfer care specialist is a person who is mentally ill, mentally incompetent, guilty of a felony or gross misdemeanor, guilty of violations of federal or state narcotics laws or controlled substances acts; appoints a guardian or conservator for the licensee ~~or~~ intern, or transfer care specialist; or commits a licensee ~~or~~ intern, or transfer care specialist.

Sec. 11. Minnesota Statutes 2022, section 149A.62, is amended to read:

149A.62 IMMUNITY; REPORTING.

Any person, private agency, organization, society, association, licensee, ~~or~~ intern, or transfer care specialist who, in good faith, submits information to a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee ~~or~~ intern, or transfer care specialist pursuant to a self report of a violation.

Sec. 12. Minnesota Statutes 2022, section 149A.63, is amended to read:

149A.63 PROFESSIONAL COOPERATION.

A licensee, clinical student, practicum student, intern, transfer care specialist, or applicant for licensure under this chapter that is the subject of or part of an inspection or investigation by the commissioner or the commissioner's designee shall cooperate fully with the inspection or investigation. Failure to cooperate constitutes grounds for disciplinary action under this chapter.

Sec. 13. Minnesota Statutes 2022, section 149A.65, subdivision 2, is amended to read:

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

- (1) \$75 for the initial and renewal registration of a mortuary science intern;
- (2) \$125 for the mortuary science examination;
- (3) \$200 for issuance of initial and renewal mortuary science licenses;
- (4) \$100 late fee charge for a license renewal; ~~and~~
- (5) \$250 for issuing a mortuary science license by endorsement; and

(6) \$226 for the initial and renewal registration of a transfer care specialist.

Sec. 14. Minnesota Statutes 2022, section 149A.70, subdivision 3, is amended to read:

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2022, section 149A.70, subdivision 4, is amended to read:

Subd. 4. **Solicitation of business.** No licensee shall directly or indirectly pay or cause to be paid any sum of money or other valuable consideration for the securing of business or for obtaining the authority to dispose of any dead human body.

For purposes of this subdivision, licensee includes a registered intern, transfer care specialist, or any agent, representative, employee, or person acting on behalf of the licensee.

Sec. 16. Minnesota Statutes 2022, section 149A.70, subdivision 5, is amended to read:

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

Sec. 17. Minnesota Statutes 2022, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee ~~or~~ intern, or transfer care specialist shall engage in or permit others under the licensee's ~~or~~ intern's, or transfer care specialist's supervision or

employment to engage in unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(1) harassing, abusing, or intimidating a customer, employee, or any other person encountered while within the scope of practice, employment, or business;

(2) using profane, indecent, or obscene language within the immediate hearing of the family or relatives of the deceased;

(3) failure to treat with dignity and respect the body of the deceased, any member of the family or relatives of the deceased, any employee, or any other person encountered while within the scope of practice, employment, or business;

(4) the habitual overindulgence in the use of or dependence on intoxicating liquors, prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering substances that substantially impair a person's work-related judgment or performance;

(5) revealing personally identifiable facts, data, or information about a decedent, customer, member of the decedent's family, or employee acquired in the practice or business without the prior consent of the individual, except as authorized by law;

(6) intentionally misleading or deceiving any customer in the sale of any goods or services provided by the licensee;

(7) knowingly making a false statement in the procuring, preparation, or filing of any required permit or document; or

(8) knowingly making a false statement on a record of death.

Sec. 18. Minnesota Statutes 2022, section 149A.90, subdivision 2, is amended to read:

Subd. 2. **Removal from place of death.** No person subject to regulation under this chapter shall remove or cause to be removed any dead human body from the place of death without being licensed or registered by the commissioner. Every dead human body shall be removed from the place of death by a licensed mortician or funeral director, except as provided in section 149A.01, subdivision 3.

Sec. 19. Minnesota Statutes 2022, section 149A.90, subdivision 4, is amended to read:

Subd. 4. **Certificate of removal.** No dead human body shall be removed from the place of death by a mortician ~~or~~ funeral director, or transfer care specialist or by a noncompensated person with the right to control the dead human body without the completion of a certificate of removal and, where possible, presentation of a copy of that certificate to the person or a representative of the legal entity with physical or legal custody of the body at the death site. The certificate of removal shall be in the format provided by the commissioner that contains, at least, the following information:

(1) the name of the deceased, if known;

(2) the date and time of removal;

- (3) a brief listing of the type and condition of any personal property removed with the body;
- (4) the location to which the body is being taken;
- (5) the name, business address, and license number of the individual making the removal; and
- (6) the signatures of the individual making the removal and, where possible, the individual or representative of the legal entity with physical or legal custody of the body at the death site.

Sec. 20. Minnesota Statutes 2022, section 149A.90, subdivision 5, is amended to read:

Subd. 5. **Retention of certificate of removal.** A copy of the certificate of removal shall be given, where possible, to the person or representative of the legal entity having physical or legal custody of the body at the death site. The original certificate of removal shall be retained by the individual making the removal and shall be kept on file, at the funeral establishment to which the body was taken, for a period of three calendar years following the date of the removal. If the removal was performed by a transfer care specialist not employed by the funeral establishment to which the body was taken, the transfer care specialist must retain a copy of the certificate of removal at the transfer care specialist's business address as registered with the commissioner for a period of three calendar years following the date of removal. Following this period, and subject to any other laws requiring retention of records, the funeral establishment may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

ARTICLE 2

BEHAVIOR ANALYST LICENSURE

Section 1. [148.9981] DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 148.9981 to 148.9995, the terms in this section have the meanings given.

Subd. 2. **Accredited school or educational program.** "Accredited school or educational program" means a school, university, college, or other postsecondary education program that, at the time the student completes the program, is accredited by a regional accrediting association whose standards are substantially equivalent to those of the North Central Association of Colleges and Postsecondary Education Institutions or an accrediting association that evaluates schools of behavior analysis, psychology, or education for inclusion of the education, practicum, and core function standards.

Subd. 3. **Advisory council.** "Advisory council" means the Behavior Analyst Advisory Council established in section 148.9994.

Subd. 4. **Board.** "Board" means the Board of Psychology established in section 148.90.

Subd. 5. **Certifying entity.** "Certifying entity" means the Behavior Analyst Certification Board, Inc., or a successor organization or other organization approved by the board in consultation with the advisory council.

Subd. 6. **Client.** "Client" means an individual who is the recipient of behavior analysis services. Client also means "patient" as defined in section 144.291, subdivision 2, paragraph (g).

Subd. 7. **Licensed assistant behavior analyst.** "Licensed assistant behavior analyst" or "assistant behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to assist in the practice of applied behavior analysis.

Subd. 8. **Licensed behavior analyst.** "Licensed behavior analyst" or "behavior analyst" means an individual who holds a valid license issued under sections 148.9981 to 148.9995 to engage in the practice of applied behavior analysis.

Subd. 9. **Licensee.** "Licensee" means an individual who holds a valid license issued under sections 148.9981 to 148.9995.

Subd. 10. **Practice of applied behavior analysis.** (a) "Practice of applied behavior analysis" means the design, implementation, and evaluation of social, instructional, and environmental modifications to produce socially significant improvements in human behavior. The practice of applied behavior analysis includes the empirical identification of functional relations between behavior and environmental factors, known as functional behavioral assessment and analysis. Applied behavior analysis interventions are based on scientific research, direct and indirect observation, and measurement of behavior and environment and utilize contextual factors, motivating operations, antecedent stimuli, positive reinforcement, and other procedures to help individuals develop new behaviors, increase or decrease existing behaviors, and emit behaviors under specific social, instructional, and environmental conditions.

(b) The practice of applied behavior analysis does not include the diagnosis of psychiatric or mental health disorders, psychological testing, neuropsychology, psychotherapy, cognitive therapy, sex therapy, hypnotherapy, psychoanalysis, or psychological counseling.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 2. **[148.9982] DUTIES OF THE BOARD OF PSYCHOLOGY.**

Subdivision 1. **General.** The board, in consultation with the advisory council, must:

(1) adopt and enforce standards for licensure, licensure renewal, and the regulation of behavior analysts and assistant behavior analysts;

(2) issue licenses to qualified individuals under sections 148.9981 to 148.9995;

(3) carry out disciplinary actions against licensed behavior analysts and assistant behavior analysts;

(4) educate the public about the existence and content of the regulations for behavior analyst licensing to enable consumers to file complaints against licensees who may have violated laws or rules the board is empowered to enforce; and

(5) collect license fees for behavior analysts and assistant behavior analysts as specified under section 148.9995.

Subd. 2. **Rulemaking.** (a) The board, in consultation with the advisory council, may adopt rules necessary to carry out the provisions of sections 148.9981 to 148.9995.

(b) The board, in consultation with the advisory council, may adopt rules related to the supervision requirements for licensed assistant behavior analysts.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 3. **[148.9983] REQUIREMENTS FOR LICENSURE.**

Subdivision 1. **General.** An individual seeking licensure as a behavior analyst or an assistant behavior analyst must complete and submit a written application on forms provided by the board together with the appropriate fee as specified under section 148.9995.

Subd. 2. **Requirements for licensure.** (a) An applicant for licensure as a behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as a board-certified behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

(b) An applicant for licensure as an assistant behavior analyst must submit evidence satisfactory to the board that the applicant:

(1) has a current and active national certification as an assistant behavior analyst issued by the certifying entity; or

(2) has completed the equivalent requirements for certification by the certifying entity, including satisfactorily passing a psychometrically valid examination administered by a nationally accredited credentialing organization.

Subd. 3. **Background investigation.** The applicant must complete a background check pursuant to section 214.075.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 4. **[148.9984] LICENSE RENEWAL REQUIREMENTS.**

Subdivision 1. **Biennial renewal.** A license must be renewed every two years.

Subd. 2. **License renewal notice.** At least 60 calendar days before the renewal deadline date, the board must mail a renewal notice to the licensee's last known address on file with the board. The notice must include instructions for accessing an online application for license renewal, the renewal deadline, and notice of fees required for renewal. The licensee's failure to receive notice does not

relieve the licensee of the obligation to meet the renewal deadline and other requirements for license renewal.

Subd. 3. **Renewal requirements.** (a) To renew a license, a licensee must submit to the board:

(1) a completed and signed application for license renewal;

(2) the license renewal fee as specified under section 148.9995; and

(3) evidence satisfactory to the board that the licensee holds a current and active national certification as a behavior analyst or assistant behavior analyst from the certifying entity or otherwise meets renewal requirements as established by the board, in consultation with the advisory council.

(b) The application for license renewal and fee must be postmarked or received by the board by the end of the day on which the license expires or the following business day if the expiration date falls on a Saturday, Sunday, or holiday. A renewal application that is not completed and signed, or that is not accompanied by the correct fee, is void and must be returned to the licensee.

Subd. 4. **Pending renewal.** If a licensee's application for license renewal is postmarked or received by the board by the end of the business day on the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee may continue to practice after the expiration date while the application for license renewal is pending with the board.

Subd. 5. **Late renewal fee.** If the application for license renewal is postmarked or received after the expiration date of the license or the following business day if the expiration date falls on a Saturday, Sunday, or holiday, the licensee must pay a biennial renewal late fee as specified by section 148.9995, in addition to the renewal fee, before the licensee's application for license renewal will be considered by the board.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 5. **[148.9985] EXPIRED LICENSE.**

(a) Within 30 days after the renewal date, a licensee who has not renewed their license must be notified by letter, sent to the last known address of the licensee in the board's file, that the renewal is overdue and that failure to pay the current fee and current biennial renewal late fee within 60 days after the renewal date will result in termination of the license.

(b) The board must terminate the license of a licensee whose license renewal is at least 60 days overdue and to whom notification has been sent as provided in paragraph (a). Failure of a licensee to receive notification is not grounds for later challenge of the termination. The former licensee must be notified of the termination by letter within seven days after board action, in the same manner as provided in paragraph (a).

(c) Notwithstanding paragraph (b), the board retains jurisdiction over a former licensee for complaints received after termination of a license regarding conduct that occurred during licensure.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 6. **[148.9986] PROHIBITED PRACTICE OR USE OF TITLES; PENALTY.**

Subdivision 1. **Practice.** Effective January 1, 2025, an individual must not engage in the practice of applied behavior analysis unless the individual is licensed under sections 148.9981 to 148.9995 as a behavior analyst or assistant behavior analyst, or is exempt under section 148.9987. A psychologist licensed under sections 148.88 to 148.981 who practices behavior analysis is not required to obtain a license as a behavior analyst under sections 148.9981 to 148.9995.

Subd. 2. **Use of titles.** (a) An individual must not use a title incorporating the words "licensed behavior analyst," "behavior analyst," "licensed assistant behavior analyst," or "assistant behavior analyst," or use any other title or description stating or implying that they are licensed or otherwise qualified to practice applied behavior analysis, unless that person holds a valid license under sections 148.9981 to 148.9995.

(b) Notwithstanding paragraph (a), a licensed psychologist who practices applied behavior analysis within the psychologist's scope of practice may use the title "behavior analyst," but must not use the title "licensed behavior analyst" unless the licensed psychologist holds a valid license as a behavior analyst issued under sections 148.9981 to 148.9995.

Subd. 3. **Penalty.** An individual who violates this section is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. **[148.9987] EXCEPTIONS TO LICENSE REQUIREMENT.**

(a) Sections 148.9981 to 148.9995 must not be construed to prohibit or restrict:

(1) the practice of an individual who is licensed to practice psychology in the state or an individual who is providing psychological services under the supervision of a licensed psychologist in accordance with section 148.925;

(2) the practice of any other profession or occupation licensed, certified, or registered by the state by an individual duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation;

(3) an individual who is employed by a school district from providing behavior analysis services as part of the individual's employment with the school district, so long as the individual does not provide behavior analysis services to any person or entity other than as an employee of the school district or accept remuneration for the provision of behavior analysis services outside of the individual's employment with the school district;

(4) an employee of a program licensed under chapter 245D from providing the services described in section 245D.091, subdivision 1;

(5) teaching behavior analysis or conducting behavior analysis research if the teaching or research does not involve the direct delivery of behavior analysis services;

(6) providing behavior analysis services by an unlicensed supervisee or trainee under the authority and direction of a licensed behavior analyst or licensed assistant behavior analyst and in compliance with the licensure and supervision standards required by law or rule;

(7) a family member or guardian of the recipient of behavior analysis services from performing behavior analysis services under the authority and direction of a licensed behavior analyst or a licensed assistant behavior analyst; or

(8) students or interns enrolled in an accredited school or educational program, or participating in a behavior analysis practicum, from engaging in the practice of applied behavior analysis while supervised by a licensed behavior analyst, licensed assistant behavior analyst, or instructor of an accredited school or educational program. These individuals must be designated as a behavior analyst student or intern.

(b) Notwithstanding paragraph (a), a licensed psychologist may supervise an unlicensed supervisee, trainee, student, or intern who is engaged in the practice of behavior analysis if the supervision is authorized under the Minnesota Psychology Practice Act.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 8. [148.9988] NONTRANSFERABILITY OF LICENSES.

A behavior analyst license or an assistant behavior analyst license is not transferable.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. [148.9989] DUTY TO MAINTAIN CURRENT INFORMATION.

All licensees and applicants for licensure must notify the board within 30 days of the occurrence of:

(1) a change of name, address, place of employment, or home or business telephone number;
or

(2) a change in any other application information.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 10. [148.999] DISCIPLINE; REPORTING.

For purposes of sections 148.9981 to 148.9995, behavior analysts and assistant behavior analysts are subject to the provisions of sections 148.941, 148.952 to 148.965, and 148.98.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 11. [148.9991] COMPETENT PROVISION OF SERVICES.

Subdivision 1. **Limits on practice.** Behavior analysts must limit practice to the client populations and services for which the behavior analysts have competence or for which the behavior analysts are developing competence.

Subd. 2. **Developing competence.** When a behavior analyst is developing competence in a service, method, or procedure, or is developing competence to treat a specific client population, the

behavior analyst must obtain professional education, training, continuing education, consultation, supervision or experience, or a combination thereof, necessary to demonstrate competence.

Subd. 3. **Limitations.** A behavior analyst must recognize the limitations to the scope of practice of applied behavior analysis. When the needs of a client appear to be outside the behavior analyst's scope of practice, the behavior analyst must inform the client that there may be other professional, technical, community, and administrative resources available to the client. A behavior analyst must assist with identifying resources when it is in the best interest of a client to be provided with alternative or complementary services.

Subd. 4. **Burden of proof.** Whenever a complaint is submitted to the board involving a violation of this section, the burden of proof is on the behavior analyst to demonstrate that the elements of competence have been reasonably met.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 12. **[148.9992] DUTY TO WARN; LIMITATION ON LIABILITY; VIOLENT BEHAVIOR OF PATIENT.**

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

(b) "Other person" means an immediate family member or someone who personally knows the client and has reason to believe the client is capable of and will carry out a serious, specific threat of harm to a specific, clearly identified or identifiable victim.

(c) "Reasonable efforts" means communicating a serious, specific threat to the potential victim and, if unable to make contact with the potential victim, communicating the serious, specific threat to the law enforcement agency closest to the potential victim or the client.

(d) "Licensee" includes behavior analysis students, interns, and unlicensed supervisees who are participating in a behavior analysis practicum or enrolled in an accredited school or educational program.

Subd. 2. **Duty to warn.** The duty to predict, warn of, or take reasonable precautions to provide protection from violent behavior arises only when a client or other person has communicated to the licensee a specific, serious threat of physical violence against a specific, clearly identified or identifiable potential victim. If a duty to warn arises, the duty is discharged by the licensee if reasonable efforts are made to communicate the threat.

Subd. 3. **Liability standard.** If no duty to warn exists under subdivision 2, then no monetary liability and no cause of action may arise against a licensee for failure to predict, warn of, or take reasonable precautions to provide protection from a client's violent behavior.

Subd. 4. **Disclosure of confidences.** Good faith compliance with the duty to warn must not constitute a breach of confidence and must not result in monetary liability or a cause of action against the licensee.

Subd. 5. **Continuity of care.** Subdivision 2 must not be construed to authorize a licensee to terminate treatment of a client as a direct result of a client's violent behavior or threat of physical violence unless the client is referred to another practitioner or appropriate health care facility.

Subd. 6. **Exception.** This section does not apply to a threat to commit suicide or other threats by a client to harm the client, or to a threat by a client who is adjudicated as a person who has a mental illness and is dangerous to the public under chapter 253B.

Subd. 7. **Optional disclosure.** This section must not be construed to prohibit a licensee from disclosing confidences to third parties in a good faith effort to warn or take precautions against a client's violent behavior or threat to commit suicide for which a duty to warn does not arise.

Subd. 8. **Limitation on liability.** No monetary liability and no cause of action or disciplinary action by the board may arise against a licensee for disclosure of confidences to third parties, for failure to disclose confidences to third parties, or for erroneous disclosure of confidences to third parties in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide for which a duty to warn does not arise.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 13. **[148.9993] INFORMED CONSENT.**

Subdivision 1. **Obtaining informed consent for services.** A behavior analyst must obtain informed consent from the client or the client's legal guardian before initiating services. The informed consent must be in writing, signed by the client, and include, at a minimum, the following:

(1) consent for the behavior analyst to engage in activities that directly affect the client;

(2) the goals, purposes, and procedures of the proposed services;

(3) the factors that may impact the duration of the proposed services;

(4) the applicable fee schedule for the proposed services;

(5) the significant risks and benefits of the proposed services;

(6) the behavior analyst's limits under section 148.9991, including, if applicable, information that the behavior analyst is developing competence in the proposed service, method, or procedure, and alternatives to the proposed service, if any; and

(7) the behavior analyst's responsibilities if the client terminates the service.

Subd. 2. **Updating informed consent.** If there is a substantial change in the nature or purpose of a service, the behavior analyst must obtain a new informed consent from the client.

Subd. 3. **Emergency or crisis services.** Informed consent is not required when a behavior analyst is providing emergency or crisis services. If services continue after the emergency or crisis has abated, informed consent must be obtained.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 14. **[148.9994] BEHAVIOR ANALYST ADVISORY COUNCIL.**

Subdivision 1. **Membership.** The Behavior Analyst Advisory Council is created and composed of seven members appointed by the board. The advisory council consists of:

- (1) one public member as defined in section 214.02;
- (2) three members who are licensed behavior analysts;
- (3) two members who are licensed assistant behavior analysts; and
- (4) one member who is a licensed psychologist and, to the extent practicable, who practices applied behavior analysis.

Subd. 2. **Administration.** The advisory council is established and administered under section 15.059, except that the advisory council does not expire.

Subd. 3. **Duties.** The advisory council must:

- (1) advise the board regarding standards for behavior analysts and assistant behavior analysts;
- (2) assist with the distribution of information regarding behavior analyst standards;
- (3) advise the board on enforcement of sections 148.9981 to 148.9995;
- (4) review license applications and license renewal applications and make recommendations to the board;
- (5) review complaints and complaint investigation reports and make recommendations to the board on whether disciplinary action should be taken and, if applicable, what type;
- (6) advise the board regarding evaluation and treatment protocols; and
- (7) perform other duties authorized for advisory councils under chapter 214 as directed by the board to ensure effective oversight of behavior analysts and assistant behavior analysts.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 15. **[148.9995] FEES.**

Subdivision 1. **Fees.** All applicants and licensees must pay fees as follows:

- (1) application fee, \$225;
- (2) license renewal fee, \$225;
- (3) inactive license renewal fee, \$125;
- (4) biennial renewal late fee, \$100;
- (5) inactive license renewal late fee, \$100; and

(6) supervisor application processing fee, \$225.

Subd. 2. **Nonrefundable fees.** All fees in this section are nonrefundable.

Subd. 3. **Deposit of fees.** Fees collected by the board under this section must be deposited in the state government special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 16. **INITIAL APPLIED BEHAVIOR ANALYST ADVISORY COUNCIL.**

The Board of Psychology must make the first appointments to the Behavior Analyst Advisory Council authorized under Minnesota Statutes, section 148.9994, by September 1, 2024. The initial behavior analysts and assistant behavior analysts appointed to the advisory council need not be licensed under Minnesota Statutes, sections 148.9981 to 148.9995, but must hold a current and active national certification as a board certified behavior analyst or a board certified assistant behavior analyst issued by the Behavior Analyst Certification Board. The chair of the Board of Psychology must convene the first meeting of the council by September 1, 2024, and must convene subsequent meetings of the council until an advisory chair is elected. The council must elect a chair from its members by the third meeting of the council.

EFFECTIVE DATE. This section is effective July 1, 2024.

ARTICLE 3

BOARD OF VETERINARY MEDICINE

Section 1. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 5a. **Direct supervision.** "Direct supervision" means:

(1) when a supervising veterinarian or licensed veterinary technician is in the immediate area and within audible or visual range of an animal and the unlicensed veterinary employee treating the animal;

(2) the supervising veterinarian has met the requirements of a veterinarian-client-patient relationship under section 156.16, subdivision 12; and

(3) the supervising veterinarian assumes responsibility for the professional care given to an animal by a person working under the veterinarian's direction.

Sec. 2. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 7a. **Licensed veterinary technician.** "Licensed veterinary technician" means a person licensed by the board under section 156.077.

Sec. 3. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 10b. **Remote supervision.** "Remote supervision" means:

(1) a veterinarian is not on the premises but is acquainted with the keeping and care of an animal by virtue of an examination of the animal or medically appropriate and timely visits to the premises where the animal is kept;

(2) the veterinarian has given written or oral instructions to a licensed veterinary technician for ongoing care of an animal and is available by telephone or other form of immediate communication; and

(3) the employee treating the animal timely enters into the animal's medical record documentation of the treatment provided, and the documentation is reviewed by the veterinarian.

Sec. 4. Minnesota Statutes 2022, section 156.001, is amended by adding a subdivision to read:

Subd. 12. **Veterinary technology.** "Veterinary technology" means the science and practice of providing professional support to veterinarians, including the direct supervision of unlicensed veterinary employees. Veterinary technology does not include veterinary diagnosis, prognosis, surgery, or medication prescription.

Sec. 5. Minnesota Statutes 2022, section 156.07, is amended to read:

156.07 LICENSE RENEWAL.

Persons licensed under this chapter shall conspicuously display their license in their principal place of business.

Persons now ~~qualified to practice veterinary medicine~~ licensed in this state, or who shall hereafter be licensed by the Board of Veterinary Medicine ~~to engage in the practice~~ as veterinarians or veterinary technicians, shall periodically renew their license in a manner prescribed by the board. The board shall establish license renewal fees and continuing education requirements. The board may establish, by rule, an inactive license category, at a lower fee, for licensees not actively engaged in the practice of veterinary medicine or veterinary technology within the state of Minnesota. The board may assess a charge for delinquent payment of a renewal fee.

Any person who is licensed to practice veterinary medicine or veterinary technology in this state pursuant to this chapter, shall be entitled to receive a license to continue to practice upon making application to the board and complying with the terms of this section and rules of the board.

Sec. 6. [156.0721] INSTITUTIONAL LICENSURE.

Subdivision 1. **Application and eligibility.** (a) Any person who seeks to practice veterinary medicine while employed by the University of Minnesota and who is not eligible for a regular license shall make a written application to the board for an institutional license using forms provided for that purpose or in a format accepted by the board. The board shall issue an institutional license to practice veterinary medicine to an applicant who:

(1) has obtained the degree of doctor of veterinary medicine or its equivalent from a nonaccredited college of veterinary medicine. A graduate from an accredited college and an applicant who has earned ECFVG or PAVE certificates should apply for a regular license to practice veterinary medicine;

(2) has passed the Minnesota Veterinary Jurisprudence Examination;

(3) is a person of good moral character, as attested by five notarized reference letters from adults not related to the applicant, at least two of whom are licensed veterinarians in the jurisdiction where the applicant is currently practicing or familiar with the applicant's clinical abilities as evidenced in clinical rotations;

(4) has paid the license application fee;

(5) provides proof of employment by the University of Minnesota;

(6) certifies that the applicant understands and agrees that the institutional license is valid only for the practice of veterinary medicine associated with the applicant's employment as a faculty member, intern, resident, or locum of the University of Minnesota College of Veterinary Medicine or other unit of the University of Minnesota;

(7) provides proof of graduation from a veterinary college;

(8) completed a criminal background check as defined in section 214.075; and

(9) provides other information and proof as the board may require by rules and regulations.

(b) The University of Minnesota may submit the applications of its employees who seek an institutional license in a compiled format acceptable to the board, with any license application fees in a single form of payment.

(c) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in the state. License payment and renewal deadlines, late payment fees, and other license requirements are also the same as for a regular license to practice veterinary medicine.

(d) The University of Minnesota may be responsible for timely payment of renewal fees and submission of renewal forms.

Subd. 2. **Scope of practice.** (a) An institutional license holder may practice veterinary medicine only as related to the license holder's regular function at the University of Minnesota. A person holding only an institutional license in this state must be remunerated for the practice of veterinary medicine in the state solely from state, federal, or institutional funds and not from the patient-owner beneficiary of the license holder's practice efforts.

(b) A license issued under this section must be canceled by the board upon receipt of information from the University of Minnesota that the holder of the license has left or is otherwise no longer employed at the University of Minnesota in this state.

(c) An institutional license holder must abide by all laws governing the practice of veterinary medicine in the state and is subject to the same disciplinary action as any other veterinarian licensed in the state.

Sec. 7. [156.076] DIRECT SUPERVISION; UNLICENSED VETERINARY EMPLOYEES.

(a) An unlicensed veterinary employee may only administer medication or render auxiliary or supporting assistance under the direct supervision of a licensed veterinarian or licensed veterinary technician.

(b) This section does not prohibit:

(1) the performance of generalized nursing tasks ordered by the veterinarian and performed by an unlicensed employee on inpatient animals during the hours when a veterinarian is not on the premises; or

(2) under emergency conditions, an unlicensed employee from rendering lifesaving aid and treatment to an animal in the absence of a veterinarian if the animal is in a life-threatening condition and requires immediate treatment to sustain life or prevent further injury.

Sec. 8. **[156.077] LICENSED VETERINARY TECHNICIANS.**

Subdivision 1. **Licensure; practice.** (a) The board shall issue a license to practice as a veterinary technician to an applicant who satisfies the requirements in this section and those imposed by the board in rule. A licensed veterinary technician may practice veterinary technology. A person may not use the title "veterinary technician" or the abbreviation "LVT" unless licensed by the board.

(b) The board may adopt by rule additional or temporary alternative licensure requirements or definitions for veterinary technician titles.

Subd. 2. **Applicants; qualifications.** Application for a license to practice veterinary technology in this state shall be made to the board on a form furnished by the board and accompanied by evidence satisfactory to the board that the applicant is at least 18 years of age, is of good moral character, and has met the following requirements:

(1) graduated from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(2) received a passing score for the Veterinary Technician National Examination;

(3) received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination;
and

(4) completed a criminal background check.

Subd. 3. **Required with application.** A completed application must contain the following information and material:

(1) the application fee set by the board, which is not refundable if permission to take the jurisprudence examination is denied for good cause;

(2) proof of graduation from a veterinary technology program accredited or approved by the American Veterinary Medical Association or Canadian Veterinary Medical Association;

(3) affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known

the applicant and any other facts that may enable the board to determine the applicant's qualifications; and

(4) if the applicant has served in the armed forces, a copy of the applicant's discharge papers.

Subd. 4. **Temporary alternative qualifications.** (a) The board shall consider an application for licensure submitted by a person before July 1, 2031, if the person provides evidence satisfactory to the board that the person:

(1) is a certified veterinary technician in good standing with the Minnesota Veterinary Medical Association; or

(2) has at least 4,160 hours actively engaged in the practice of veterinary technology within the previous five years.

(b) Each applicant under this subdivision must also submit to the board affidavits from at least two licensed veterinarians and three adults who are not related to the applicant that establish how long, when, and under what circumstances the references have known the applicant and any other facts that may enable the board to determine the applicant's qualifications.

Sec. 9. [156.078] NONRESIDENTS; LICENSED VETERINARY TECHNICIANS.

A credentialed veterinary technician duly admitted to practice in any state, commonwealth, territory, or district of the United States or province of Canada that desires permission to practice veterinary technology in this state shall submit an application to the board on a form furnished by the board. The board shall review an application for transfer if the applicant submits:

(1) a copy of a diploma from an accredited or approved college of veterinary technology or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary technology or a certificate of satisfactory completion of the PAVE program;

(2) if requesting waiver of examination, evidence of meeting licensure requirements in the state of the applicant's original licensure;

(3) affidavits of two licensed practicing doctors of veterinary medicine or veterinary technicians residing in the United States or Canadian licensing jurisdiction in which the applicant is or was most recently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character, and that the applicant has been actively engaged in practicing or teaching in such jurisdiction;

(4) a certificate from the agency that regulates the conduct of practice of veterinary technology in the jurisdiction in which the applicant is or was most recently practicing, stating that the applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(5) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(6) in lieu of the certificates in clauses (4) and (5), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(7) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(8) score reports on previously taken national examinations in veterinary technology, certified by the Veterinary Information Verification Agency or evidence of employment as a veterinary technician for at least three years;

(9) proof that the applicant received a passing score for the Minnesota Veterinary Technician Jurisprudence Examination; and

(10) proof of a completed criminal background check.

Sec. 10. Minnesota Statutes 2022, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with ~~subdivision 6~~ section 156.0721 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, ~~College of Agriculture~~, Veterinary Diagnostic Laboratory, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, School of Nursing; or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians ~~or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory~~;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary

Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic; or

(k) a person certified by the Emergency Medical Services Regulatory Board under chapter 144E from providing emergency medical care to a police dog wounded in the line of duty.

Sec. 11. Minnesota Statutes 2022, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, ~~or~~ ECFVG or PAVE certification, or an institutional license under section 156.0721 to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 156.12, subdivision 6, is repealed.

Sec. 13. **EFFECTIVE DATE.**

(a) Sections 1 to 5 and sections 7 to 9 are effective July 1, 2026.

(b) Section 6 and sections 10 to 12 are effective July 1, 2025.

ARTICLE 4

BOARD OF DENTISTRY

Section 1. Minnesota Statutes 2022, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

(2) a nonrefundable fee; and

(3) a copy of the applicant's government-issued photo identification card.

(d) A specialty dentist holding one or more specialty licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.

~~(e) A specialty dentist holding a general dental license is limited to practicing in the dentist's designated specialty area or areas if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the Commission on Dental Accreditation.~~

~~(f)~~(e) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for one or more specialty licenses.

Sec. 2. Minnesota Statutes 2022, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record in lieu of completing a board-approved dental assisting program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from an accredited dental assisting program accredited by the Commission on Dental Accreditation ~~and~~ or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

ARTICLE 5

PHYSICIAN ASSISTANT PRACTICE

Section 1. **REPEALER.**

Minnesota Statutes 2022, section 147A.09, subdivision 5, is repealed.

ARTICLE 6

BOARD OF SOCIAL WORK

Section 1. Minnesota Statutes 2022, section 148D.061, subdivision 1, is amended to read:

Subdivision 1. **Requirements for a provisional license.** An applicant may be issued a provisional license if the applicant:

~~(1) was born in a foreign country;~~

~~(2) communicates in English as a second language;~~

~~(3) has taken the applicable examination administered by the Association of Social Work Boards or similar examination body designated by the board;~~

~~(4) (1) has met the requirements of section 148E.055, subdivision 2, paragraph (a), clauses (1), (3), (4), (5), and (6); or subdivision 3, paragraph (a), clauses (1), (3), (4), (5), and (6); or subdivision 4, paragraph (a), clauses (1), (2), (4), (5), (6), and (7); or subdivision 5, paragraph (a), clauses (1), (2), (3), (5), (6), (7), and (8); and~~

~~(5) (2) complies with the requirements of subdivisions 2 to 7.~~

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 148D.061, subdivision 8, is amended to read:

Subd. 8. **Disciplinary or other action.** A licensee who is issued a provisional license is subject to the grounds for disciplinary action under section 148E.190. The board may also take action according to sections 148E.260 to 148E.270 if:

(1) the licensee's supervisor does not submit an evaluation as required by section 148D.063;

(2) an evaluation submitted according to section 148D.063 indicates that the licensee cannot practice social work competently and ethically; or

(3) the licensee does not comply with the requirements of subdivisions 1 to 7.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 148D.062, subdivision 3, is amended to read:

Subd. 3. **Types of supervision.** (a) ~~Twenty-five hours~~ Half of the supervision hours required by subdivision 1 must consist of one-on-one in-person supervision. The supervision must be provided either in person or via eye-to-eye electronic media while maintaining visual contact.

(b) ~~Twelve and one-half hours~~ Half of the supervision hours must consist of one or more of the following types of supervision:

(1) ~~in-person~~ one-on-one supervision provided in person or via eye-to-eye electronic media while maintaining visual contact; or

(2) ~~in-person~~ group supervision provided in person, by telephone, or via eye-to-eye electronic media while maintaining visual contact.

(c) ~~To qualify as in-person~~ Group supervision, the group must not exceed ~~seven members including the supervisor~~ six supervisees.

(d) Supervision must not be provided by email.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 148D.062, subdivision 4, is amended to read:

Subd. 4. **Supervisor requirements.** (a) The supervision required by subdivision 1 must be provided by a supervisor who meets the requirements in section 148E.120 and has ~~either:~~

~~(1) 5,000 hours experience engaged in authorized social work practice; or~~

~~(2) completed 30 hours of training in supervision, which may be satisfied by completing academic coursework in supervision or continuing education courses in supervision as defined in section 148E.010, subdivision 18.~~

(b) Supervision must be provided:

(1) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed social worker, by:

(i) a licensed social worker who has completed the supervised practice requirements;

(ii) a licensed graduate social worker who has completed the supervised practice requirements;

(iii) a licensed independent social worker; or

(iv) a licensed independent clinical social worker;

(2) if the supervisee is not engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by:

(i) a licensed graduate social worker who has completed the supervised practice requirements;

(ii) a licensed independent social worker; or

(iii) a licensed independent clinical social worker;

(3) if the supervisee is engaged in clinical practice and the supervisee has a provisional license to practice as a licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker, by a licensed independent clinical social worker; or

(4) by a supervisor who meets the requirements in section 148E.120, subdivision 2.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 148D.063, subdivision 1, is amended to read:

Subdivision 1. **Supervision plan.** (a) An applicant granted a provisional license must submit, on a form provided by the board, a supervision plan for meeting the supervision requirements in section 148D.062.

(b) The supervision plan must be submitted no later than 30 days after the licensee begins a social work practice position.

~~(e) The board may revoke a licensee's provisional license for failure to submit the supervision plan within 30 days after beginning a social work practice position.~~

~~(d)~~ (c) The supervision plan must include the following:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the person providing the supervision;

(3) the number of hours of one-on-one ~~in-person~~ supervision and the number and type of additional hours of supervision to be completed by the supervisee;

(4) the supervisee's position description;

(5) a brief description of the supervision the supervisee will receive in the following content areas:

(i) clinical practice, if applicable;

(ii) development of professional social work knowledge, skills, and values;

(iii) practice methods;

(iv) authorized scope of practice;

(v) ensuring continuing competence; and

(vi) ethical standards of practice; and

(6) if applicable, a detailed description of the supervisee's clinical social work practice, addressing:

(i) the client population, the range of presenting issues, and the diagnoses;

(ii) the clinical modalities that were utilized; and

(iii) the process utilized for determining clinical diagnoses, including the diagnostic instruments used and the role of the supervisee in the diagnostic process.

~~(e)~~ (d) The board must receive a revised supervision plan within 30 days of any of the following changes:

(1) the supervisee has a new supervisor;

(2) the supervisee begins a new social work position;

(3) the scope or content of the supervisee's social work practice changes substantially;

(4) the number of practice or supervision hours changes substantially; or

(5) the type of supervision changes as supervision is described in section 148D.062.

~~(f) The board may revoke a licensee's provisional license for failure to submit a revised supervision plan as required in paragraph (e).~~

~~(g)~~ (e) The board must approve the supervisor and the supervision plan.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 148D.063, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) When a licensee's supervisor submits an evaluation to the board according to section 148D.061, subdivision 6, the supervisee and supervisor must provide the following information on a form provided by the board:

(1) the name of the supervisee, the name of the agency in which the supervisee is being supervised, and the supervisee's position title;

(2) the name and qualifications of the supervisor;

(3) the number of hours and dates of each type of supervision completed;

(4) the supervisee's position description;

(5) a declaration that the supervisee has not engaged in conduct in violation of the standards of practice in sections 148E.195 to 148E.240;

(6) a declaration that the supervisee has practiced competently and ethically according to professional social work knowledge, skills, and values; and

(7) on a form provided by the board, an evaluation of the licensee's practice in the following areas:

(i) development of professional social work knowledge, skills, and values;

(ii) practice methods;

(iii) authorized scope of practice;

~~(iv) ensuring continuing competence;~~

~~(v)~~ (iv) ethical standards of practice; and

~~(vi)~~ (v) clinical practice, if applicable.

(b) The supervisor must attest to the satisfaction of the board that the supervisee has met or has made progress on meeting the applicable supervised practice requirements.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 2b. **Qualifications for licensure by completion of provisional license requirements as a licensed social worker (LSW).** To be licensed as a licensed social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

- (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and
- (2) continues to meet the requirements of subdivision 2, clauses (1) and (3) to (6).

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 3b. **Qualifications for licensure by completion of provisional license requirements as a licensed graduate social worker (LGSW).** To be licensed as a licensed graduate social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

- (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and
- (2) continues to meet the requirements of subdivision 3, clauses (1) and (3) to (6).

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 4b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent social worker (LISW).** To be licensed as a licensed independent social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

- (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and
- (2) continues to meet the requirements of subdivision 4, clauses (1), (2), and (4) to (7).

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 148E.055, is amended by adding a subdivision to read:

Subd. 5b. **Qualifications for licensure by completion of provisional license requirements as a licensed independent clinical social worker (LICSW).** To be licensed as a licensed independent clinical social worker, an applicant for licensure by completion of provisional license requirements must provide evidence satisfactory to the board that the applicant:

- (1) completed all requirements under section 148D.061, subdivisions 1 to 6; and
- (2) continues to meet the requirements of subdivision 5, paragraph (a), clauses (1) to (3) and (5) to (8).

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 11. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>148D.061</u>	<u>148E.0551</u>
<u>148D.062</u>	<u>148E.116</u>
<u>148D.063</u>	<u>148E.126</u>

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 12. **REPEALER.**

Minnesota Statutes 2022, section 148D.061, subdivision 9, is repealed.

EFFECTIVE DATE. This section is effective October 1, 2024.

ARTICLE 7**BOARD OF MARRIAGE AND FAMILY THERAPY**Section 1. **[148B.331] GUEST LICENSURE.**

Subdivision 1. **Generally.** (a) A nonresident of the state of Minnesota who is not seeking licensure in Minnesota and intends to practice marriage and family therapy in Minnesota must apply to the board for guest licensure. An applicant must apply for guest licensure at least 30 days prior to the expected date of practice in Minnesota and is subject to approval by the board or its designee.

(b) To be eligible for licensure under this section, the applicant must:

(1) have a license, certification, or registration in good standing to practice marriage and family therapy from another jurisdiction;

(2) have a graduate degree in marriage and family therapy from a regionally accredited institution or a degree in a related field from a regionally accredited institution with completed coursework meeting the educational requirements provided in Minnesota Rules, part 5300.0140, subpart 2;

(3) be of good moral character;

(4) have no pending complaints or active disciplinary or corrective actions in any jurisdiction;

(5) submit the required fee and complete the criminal background check according to section 214.075; and

(6) pay a fee to the board in the amount set forth in section 148B.392.

(c) A license issued under this section is valid for one year from the date of issuance and allows practice by the nonresident for a maximum of five months. The months in which the nonresident

may practice under the license must be consecutive. A guest license is not renewable, but the nonresident may reapply for guest licensure, subject to continued eligibility under paragraph (b), following expiration of a guest license.

Subd. 2. **Other professional activity.** Notwithstanding subdivision 1, a nonresident of the state of Minnesota who is not seeking licensure in Minnesota may serve as an expert witness, organizational consultant, presenter, or educator without obtaining guest licensure, provided the nonresident is appropriately trained, educated, or has been issued a license, certificate, or registration by another jurisdiction.

Subd. 3. **Prohibitions and sanctions.** A person's privilege to practice under this section is subject to the prohibitions and sanctions for unprofessional or unethical conduct contained in Minnesota laws and rules for marriage and family therapy under this chapter.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2023 Supplement, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

- (1) application fee for national examination is \$150;
- (2) application fee for Licensed Marriage and Family Therapist (LMFT) ~~state examination~~ license is \$150;
- (3) initial LMFT license fee is prorated, but cannot exceed \$225;
- (4) annual renewal fee for LMFT license is \$225;
- (5) late fee for LMFT license renewal is \$100;
- (6) application fee for LMFT licensure by reciprocity is \$300;
- (7) application fee for ~~initial~~ Licensed Associate Marriage and Family Therapist (LAMFT) license is \$100;
- (8) annual renewal fee for LAMFT license is \$100;
- (9) late fee for LAMFT license renewal is \$50;
- (10) fee for reinstatement of LMFT or LAMFT license is \$150;
- (11) fee for LMFT emeritus license status is \$225; ~~and~~
- (12) fee for temporary license for members of the military is \$100; ~~and~~
- (13) fee for LMFT guest license is \$150.

EFFECTIVE DATE. This section is effective October 1, 2024.

ARTICLE 8**BOARD OF PHARMACY**

Section 1. Minnesota Statutes 2022, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, licensed certified midwife, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 9**BOARD OF OPTOMETRY**

Section 1. Minnesota Statutes 2022, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

- (1) advertise as an optometrist;
- (2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;
- (3) possess testing appliances for the purpose of the measurement of the powers of vision;
- (4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;
- (5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;
- (6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or
- (7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

(1) legend drugs to be administered intravenously, intramuscularly, or by injection, except for treatment of anaphylaxis;

(2) invasive surgery including, but not limited to, surgery using lasers;

(3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or

(4) oral ~~antivirals to be prescribed or administered for more than ten days; or~~ steroids to be prescribed or administered for more than 14 days without consultation with a physician.

~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.~~

ARTICLE 10

BOARD OF MEDICAL PRACTICE

Section 1. Minnesota Statutes 2023 Supplement, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 147.037, subdivision 1b, paragraph (c); 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 147.037, is amended by adding a subdivision to read:

Subd. 1b. Limited license. (a) The board must issue a limited license to any person who satisfies the requirements of subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

(1) pursuant to a license or other authorization to practice, has practiced medicine, as defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the previous ten years outside of the United States;

(2) submits sufficient evidence of an offer to practice within the context of a collaborative agreement within a hospital or clinical setting where the limited license holder and physicians work together to provide patient care;

(3) provides services in a designated rural area or underserved urban community as defined in section 144.1501; and

(4) submits two letters of recommendation in support of a limited license, which must include one letter from a physician with whom the applicant previously worked and one letter from an

administrator of the hospital or clinical setting in which the applicant previously worked. The letters of recommendation must attest to the applicant's good medical standing.

(b) A person issued a limited license under this subdivision must not be required to present evidence satisfactory to the board of the completion of one year of graduate clinical medical training in a program accredited by a national accrediting organization approved by the board.

(c) An employer of a limited license holder must pay the limited license holder at least an amount equivalent to a medical resident in a comparable field. The employer must carry medical malpractice insurance covering a limited license holder for the duration of the employment. The commissioner of health may issue a correction order under section 144.99, subdivision 3, requiring an employer to comply with this paragraph. An employer must not retaliate against or discipline an employee for raising a complaint or pursuing enforcement relating to this paragraph.

(d) The board must issue a full and unrestricted license to practice medicine to a person who holds a limited license issued pursuant to paragraph (a) and who has:

(1) held the limited license for two years and is in good standing to practice medicine in this state;

(2) practiced for a minimum of 1,692 hours per year for each of the previous two years; and

(3) submitted a letter of recommendation in support of a full and unrestricted license from any physician who participated in the collaborative agreement.

(e) A limited license holder must submit to the board, every six months or upon request, a statement certifying whether the person is still employed as a physician in this state and whether the person has been subjected to professional discipline as a result of the person's practice. The board may suspend or revoke a limited license if a majority of the board determines that the licensee is no longer employed as a physician in this state by an employer. The licensee must be granted an opportunity to be heard prior to the board's determination. A licensee may change employers during the duration of the limited license if the licensee has another offer of employment. In the event that a change of employment occurs, the licensee must still work the number of hours required under paragraph (d), clause (2), to be eligible for a full and unrestricted license to practice medicine.

(f) For purposes of this subdivision, "collaborative agreement" means a mutually agreed upon plan for the overall working relationship and collaborative arrangement between a holder of a limited license and one or more physicians licensed under this chapter that designates the scope of services that can be provided to manage the care of patients. The limited license holder and one of the collaborating physicians must have experience in providing care to patients with the same or similar medical conditions. A limited license holder may practice medicine without a collaborating physician physically present, but the limited license holder and collaborating physicians must be able to easily contact each other by radio, telephone, or other telecommunication device while the limited license holder practices medicine. The limited license holder must have one-on-one practice reviews with each collaborating physician, provided in person or through eye-to-eye electronic media while maintaining visual contact, for at least two hours per month.

(g) The board must not grant a license under this section unless the applicant possesses federal immigration status that allows the applicant to practice as a physician in the United States.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 147B.01, is amended by adding a subdivision to read:

Subd. 2a. **Acupuncture.** "Acupuncture" means a unique treatment technique that uses modern and traditional medical methods of diagnosis and treatment. It includes the insertion of filiform or acupuncture needles through the skin and may include the use of other biophysical methods of acupuncture point stimulation, including the use of heat, massage, or manual therapy techniques or electrical stimulation. Acupuncture includes but is not limited to therapies termed "dry needling," "trigger point therapy," "intramuscular therapy," "auricular detox treatment," and similar terms referring to the insertion of needles past the skin for pain management, disease or symptom modification, or other related treatments.

Sec. 4. Minnesota Statutes 2022, section 147B.01, subdivision 3, is amended to read:

Subd. 3. **Acupuncture and herbal medicine practice.** "Acupuncture and herbal medicine practice" means a ~~comprehensive~~ system of primary health care ~~using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin and the use of other biophysical methods of acupuncture point stimulation, including the use of heat, Oriental massage techniques, electrical stimulation, herbal supplemental therapies, dietary guidelines, breathing techniques, and exercise based on Oriental medical principles~~ that uses traditional and modern diagnosis, methodology, and treatment techniques based on acupuncture and herbal medicine theory, principles, and methods. Treatment techniques include but are not limited to acupuncture, cupping, dermal friction, therapeutic massage, herbal therapies, dietary guidelines, mind-body exercises, and other appropriate techniques.

Sec. 5. Minnesota Statutes 2022, section 147B.01, subdivision 4, is amended to read:

Subd. 4. **Acupuncture needle.** "Acupuncture needle" means a needle designed exclusively for ~~acupuncture~~ the purposes of insertion past the skin to alleviate pain, provide symptom relief, or modulate disease processes. It has a solid core, with a tapered point, and is 0.12 mm to 0.45 mm in thickness. It is constructed of stainless steel, gold, silver, or other board-approved materials as long as the materials can be sterilized according to recommendations of the National Centers for Disease Control and Prevention.

Sec. 6. Minnesota Statutes 2022, section 147B.01, subdivision 9, is amended to read:

Subd. 9. **Breathing techniques.** "Breathing techniques" means ~~Oriental~~ breathing exercises taught to a patient as part of a treatment plan.

Sec. 7. Minnesota Statutes 2022, section 147B.01, subdivision 14, is amended to read:

Subd. 14. **Herbal therapies or herbal medicine.** "Herbal therapies" ~~are~~ or "herbal medicine" means the use of herbs and patent herbal remedies as supplements as part of the treatment plan of the patient.

Sec. 8. Minnesota Statutes 2022, section 147B.03, subdivision 2, is amended to read:

Subd. 2. **Board approval.** The board shall approve a continuing education program if the program meets the following requirements:

- (1) it directly relates to the practice of acupuncture;
- (2) each member of the faculty shows expertise in the subject matter by holding a degree or certificate from an educational institution, has verifiable experience in ~~traditional Oriental~~ acupuncture and herbal medicine, or has special training in the subject area;
- (3) the program lasts at least one contact hour;
- (4) there are specific written objectives describing the goals of the program for the participants;
and
- (5) the program sponsor maintains attendance records for four years.

Sec. 9. Minnesota Statutes 2022, section 147B.03, subdivision 3, is amended to read:

Subd. 3. **Continuing education topics.** (a) Continuing education program topics may include, but are not limited to, ~~Oriental medical~~ acupuncture and herbal medicine theory and techniques including ~~Oriental~~ massage; ~~Oriental~~ nutrition; ~~Oriental~~ herbology and diet therapy; ~~Oriental~~ exercise; ~~western sciences such as~~ anatomy, physiology, biochemistry, microbiology, psychology, ~~nutrition,~~ and history of medicine; and medical terminology or coding.

(b) Practice management courses are excluded under this section.

Sec. 10. Minnesota Statutes 2022, section 147B.05, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The advisory council to the Board of Medical Practice for acupuncture consists of seven members appointed by the board to three-year terms. Four members must be ~~licensed~~ acupuncture practitioners licensed in Minnesota, one member must be a licensed physician or osteopathic physician who also practices acupuncture, one member must be a licensed chiropractor who is NCCAOM certified, and one member must be a member of the public who has received acupuncture treatment as a primary therapy from a NCCAOM certified acupuncturist.

Sec. 11. Minnesota Statutes 2022, section 147B.06, subdivision 1, is amended to read:

Subdivision 1. **Practice standards.** (a) Before treatment of a patient, an acupuncture practitioner shall ask whether the patient has been examined by a licensed physician or other professional, as defined by section 145.61, subdivision 2, with regard to the patient's illness or injury, and shall review the diagnosis as reported.

(b) The practitioner shall obtain informed consent from the patient, after advising the patient of the following information which must be supplied to the patient ~~in writing~~ before or at the time of the initial visit:

- (1) the practitioner's qualifications including:
 - (i) education;

- (ii) license information; and
- (iii) outline of the scope of practice of acupuncturists in Minnesota; and
- (2) side effects which may include the following:
 - (i) some pain in the treatment area;
 - (ii) minor bruising;
 - (iii) infection;
 - (iv) needle sickness; or
 - (v) broken needles.

~~(e) The practitioner shall obtain acknowledgment by the patient in writing that the patient has been advised to consult with the patient's primary care physician about the acupuncture treatment if the patient circumstances warrant or the patient chooses to do so.~~

~~(d)~~ (c) The practitioner shall inquire whether the patient has a pacemaker or bleeding disorder.

Sec. 12. Minnesota Statutes 2022, section 147B.06, subdivision 4, is amended to read:

Subd. 4. **Scope of practice.** The scope of practice of acupuncture and herbal medicine includes, but is not limited to, the following:

(1) using Oriental medical theory to assess and diagnose a patient evaluation, management, and treatment services using methods and techniques described in section 147B.01, subdivisions 2a, 3, and 14;

(2) using Oriental medical theory to develop a plan to treat a patient. The treatment techniques that may be chosen include: diagnostic examination, testing, and procedures including physical examination, basic diagnostic imaging, and basic laboratory or other diagnostic tests for the purposes of guiding treatment within the scope of practice of acupuncture, herbal medicine, and herbal therapies, as described in section 147B.01, subdivisions 2a, 3, and 14, provided that when results fall outside of the education, training, and expertise of the licensed acupuncturists, or suggest serious or emergent conditions, the acupuncturist will facilitate referrals to other appropriate health care providers;

- ~~(i) insertion of sterile acupuncture needles through the skin;~~
- ~~(ii) acupuncture stimulation including, but not limited to, electrical stimulation or the application of heat;~~
- ~~(iii) cupping;~~
- ~~(iv) dermal friction;~~
- ~~(v) acupressure;~~

~~(vi) herbal therapies;~~

~~(vii) dietary counseling based on traditional Chinese medical principles;~~

~~(viii) breathing techniques;~~

~~(ix) exercise according to Oriental medical principles; or~~

~~(x) Oriental massage.~~

(3) services included in the practice of acupuncture and herbal medicine, as defined in section 147B.01, subdivision 3;

(4) stimulation of acupuncture points, areas of the body, or substances in the body using acupuncture needles, heat, cold, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, electromagnetic energy, bleeding, suction, or other devices or means;

(5) use of physical medicine modalities, procedures, and devices such as cupping, dermal friction, acupressure, and massage, as described in section 147B.01, subdivisions 2a, 3, and 14;

(6) use of therapeutic exercises, breathing techniques, meditation, and biofeedback devices and other devices that utilize heat, cold, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, and electromagnetic energy for therapeutic purposes;

(7) dietary counseling using methods and techniques of acupuncture and herbal medicine; and

(8) counseling and education regarding physical, emotional, and spiritual balance in lifestyle using methods and techniques described in section 147B.01, subdivision 3.

Sec. 13. Minnesota Statutes 2022, section 147B.06, subdivision 5, is amended to read:

Subd. 5. **Patient records.** An acupuncturist shall maintain a patient record for each patient treated, including:

(1) a copy of the informed consent;

(2) evidence of a patient interview concerning the patient's medical history and current physical condition;

(3) evidence of ~~a traditional acupuncture~~ examination and diagnosis;

(4) record of the treatment including points treated; and

(5) evidence of evaluation and instructions given to the patient.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 147B.01, subdivision 18, is repealed.

ARTICLE 11**BOARD OF NURSING**

Section 1. Minnesota Statutes 2022, section 147D.03, subdivision 1, is amended to read:

Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or attend to a woman in pregnancy, childbirth outside a hospital, and postpartum, shall be regarded as practicing traditional midwifery. A certified midwife licensed by the Board of Nursing under chapter 148G is not subject to the provisions of this chapter.

Sec. 2. Minnesota Statutes 2022, section 148.241, is amended to read:

148.241 EXPENSES.

Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota Board of Nursing.

Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to the order of the board to be used only for the purpose of meeting necessary expenses incurred in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and the duties imposed thereby as well as the promotion of nursing or certified midwifery education and standards of nursing or certified midwifery care in this state.

Sec. 3. **[148G.01] TITLE.**

This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

Sec. 4. **[148G.02] SCOPE.**

This chapter applies to all applicants and licensees, all persons who use the title certified midwife, and all persons in or out of this state who provide certified midwifery services to patients who reside in this state, unless there are specific applicable exemptions provided by law.

Sec. 5. **[148G.03] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have the meanings given.

Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

Subd. 3. **Certification.** "Certification" means the formal recognition by the American Midwifery Certification Board of the knowledge, skills, and experience demonstrated by the achievement of standards identified by the American College of Nurse Midwives or any successor organization.

Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current and valid national certification as a certified midwife from the American Midwifery Certification Board or any successor organization, and who is licensed by the board under this chapter.

Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

(1) managing, diagnosing, and treating women's primary health care, including pregnancy, childbirth, postpartum period, care of the newborn, family planning, partner care management relating to sexual health, and gynecological care of women across the life span;

(2) ordering, performing, supervising, and interpreting diagnostic studies within the scope of certified midwifery practice, excluding interpreting computed tomography scans, magnetic resonance imaging scans, positron emission tomography scans, nuclear scans, and mammography;

(3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery practice;

(4) consulting with, collaborating with, or referring to other health care providers as warranted by the needs of the patient; and

(5) performing the role of educator in the theory and practice of midwifery.

Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health care professionals work together to meet the health care needs of a patient, as warranted by the needs of the patient.

Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who maintains primary management responsibility for a patient's care seeks advice or opinion of a physician, an advanced practice registered nurse, or another member of the health care team.

Subd. 8. **Encumbered.** "Encumbered" means: (1) a license or other credential that is revoked, suspended, or contains limitations on the full and unrestricted practice of certified midwifery when the revocation, suspension, or limitation is imposed by a state licensing board or other state regulatory entity; or (2) a license or other credential that is voluntarily surrendered.

Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which the certified midwife is authorized to engage in certified midwifery. The initial licensure period is from six to 29 full calendar months starting on the day of licensure and ending on the last day of the certified midwife's month of birth in an even-numbered year if the year of birth is an even-numbered year, or in an odd-numbered year if the year of birth is in an odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure renewal, the period starts on the first day of the month following expiration of the previous licensure period. The period ends the last day of the certified midwife's month of birth in an even- or odd-numbered year according to the certified midwife's year of birth.

Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed under chapter 147, an advanced practice registered nurse licensed under sections 148.171 to 148.235, or a certified midwife licensed under this chapter.

Subd. 11. **Midwifery education program.** "Midwifery education program" means a university or college that provides a program of theory and practice that leads to the preparation and eligibility for certification in midwifery and is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation.

Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife, including an individual, family, group, or community.

Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09. Prescribing does not include recommending the use of a drug or therapeutic device that is not required by the federal Food and Drug Administration to meet the labeling requirements for prescription drugs and devices.

Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction reduced to writing provided to or for a patient for the preparation or use of a drug or therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply to prescriptions for drugs.

Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs a patient to a physician or another health care professional for management of a particular problem or aspect of the patient's care.

Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial direction, setting expectations, directing activities and courses of action, evaluating, and changing a course of action in certified midwifery care.

Sec. 6. **[148G.04] CERTIFIED MIDWIFE LICENSING.**

Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve as the faculty of record for clinical instruction in a midwifery distance learning program unless the certified midwife is licensed by the board under this chapter.

(b) An applicant for a license to practice as a certified midwife must apply to the board in a format prescribed by the board and pay a fee in an amount determined under section 148G.11.

(c) To be eligible for licensure, an applicant must:

(1) not hold an encumbered license or other credential as a certified midwife or equivalent professional designation in any state or territory;

(2) hold a current and valid certification as a certified midwife from the American Midwifery Certification Board or any successor organization acceptable to the board and provide primary source verification of certification to the board in a format prescribed by the board;

(3) have completed a graduate level midwifery program that includes clinical experience, is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation, and leads to a graduate degree. The applicant must submit primary source verification of program completion to the board in a format prescribed by the board. The primary source verification must verify the applicant completed three separate graduate-level courses in physiology and pathophysiology; advanced health assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics, and pharmacotherapeutics of all broad categories of agents;

(4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(5) not have committed any acts or omissions that are grounds for disciplinary action in another jurisdiction or, if these acts were committed and would be grounds for disciplinary action as set forth in section 148G.13, the board has found after an investigation that sufficient remediation was made.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced in the certified midwife role, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The applicant must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Sec. 7. [148G.05] LICENSURE RENEWAL; RELICENSURE.

Subdivision 1. **Renewal; current applicants.** (a) A certified midwife must apply for renewal of the certified midwife's license before the certified midwife's licensure period ends. To be considered timely, the board must receive the certified midwife's application on or before the last day of the certified midwife's licensure period. A certified midwife's license lapses if the certified midwife's application is untimely.

(b) An applicant for certified midwifery renewal must provide the board evidence of current certification or recertification as a certified midwife by the American Midwifery Certification Board or any successor organization.

(c) An applicant for certified midwifery renewal must submit to the board the fee under section 148G.11, subdivision 2.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced as a certified midwife, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The licensee must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Subd. 3. **Relicensure; lapsed applicants.** A person whose license has lapsed desiring to resume practice as a certified midwife must apply for relicensure, submit to the board satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for the current period. A penalty fee under section 148G.11, subdivision 4, is required from a person who practiced certified midwifery without current licensure. The board must relicensure a person who meets the requirements of this subdivision.

Sec. 8. [148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.

Subdivision 1. **Notification requirement.** An individual licensed as a certified midwife must notify the board when the individual renews their certification. If a licensee fails to provide notification, the licensee is prohibited from practicing as a certified midwife.

Subd. 2. **Denial of license.** Refusal of an applicant to supply information necessary to determine the applicant's qualifications, failure to demonstrate qualifications, or failure to satisfy the requirements for a license contained in this chapter or rules of the board may result in denial of a license. The burden of proof is upon the applicant to demonstrate the qualifications and satisfaction of the requirements.

Sec. 9. [148G.07] NAME CHANGE AND CHANGE OF ADDRESS.

A certified midwife must maintain a current name and address with the board and must notify the board in writing within 30 days of any change in name or address. All notices or other correspondence mailed to or served upon a certified midwife by the board at the licensee's address on file with the board are considered received by the licensee.

Sec. 10. [148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.

Only those persons who hold a current license to practice certified midwifery in this state may use the title of certified midwife. A certified midwife licensed by the board must use the designation of CM for professional identification and in documentation of services provided.

Sec. 11. [148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.

Subdivision 1. **Diagnosing, prescribing, and ordering.** Certified midwives, within the scope of certified midwifery practice, are authorized to:

(1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies and providers;

(2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend, and controlled substances, including sample drugs; and

(3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable medical devices and equipment, nutrition, diagnostic services, and supportive services, including but not limited to home health care, physical therapy, and occupational therapy.

Subd. 2. Drug Enforcement Administration requirements. (a) Certified midwives must:

(1) comply with federal Drug Enforcement Administration (DEA) requirements related to controlled substances; and

(2) file the certified midwife's DEA registrations and numbers with the board, if any.

(b) The board must maintain current records of all certified midwives with a DEA registration and number.

Sec. 12. [148G.10] FEES.

The fees specified in section 148G.11 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 13. [148G.11] FEE AMOUNTS.

Subdivision 1. **Licensure.** The fee for licensure is \$105.

Subd. 2. **Renewal.** The fee for licensure renewal is \$85.

Subd. 3. **Practicing without current certification.** The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is \$200 for the first month or part of a month and an additional \$100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without a current license and certification on file with the board until the day the current license and certification is filed with the board.

Subd. 4. **Relicensure.** The fee for relicensure is \$105. The fee for practicing without current licensure is two times the amount of the current renewal fee for any part of the first calendar month, plus the current renewal fee for any part of each subsequent month up to 24 months.

Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Sec. 14. [148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.

Subdivision 1. **Initial approval.** An institution desiring to conduct a certified midwifery program must submit evidence to the board that the institution is prepared to:

(1) provide a program of theory and practice in certified midwifery leading to eligibility for certification in midwifery;

(2) achieve preaccreditation and eventual full accreditation by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. Instruction and required experience may be obtained in one or more institutions or agencies outside the applying institution if the program retains accountability for all clinical and nonclinical teaching; and

(3) meet other standards established by law and by the board.

Subd. 2. **Continuing approval.** The board must, through the board's representative, annually survey all midwifery programs in the state for current accreditation status by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. If the results of the survey show that a certified midwifery program meets all standards for continuing accreditation, the board must continue approval of the certified midwifery program.

Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery program is not maintaining the standards required by the American Commission on Midwifery Education or any successor organization, the board must obtain the defect in writing from the accrediting body. If a program fails to correct the defect to the satisfaction of the accrediting body and the accrediting body revokes the program's accreditation, the board must remove the program from the list of approved certified midwifery programs.

Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified midwifery program upon submission of satisfactory evidence that the certified midwifery's program of theory and practice meets the standards required by the accrediting body.

Sec. 15. **[148G.13] GROUNDS FOR DISCIPLINARY ACTION.**

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license of any person to practice certified midwifery under this chapter or otherwise discipline a licensee or applicant as described in section 148G.14. The following are grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements;

(2) employing fraud or deceit in procuring or attempting to procure a license to practice certified midwifery;

(3) conviction of a felony or gross misdemeanor reasonably related to the practice of certified midwifery. Conviction, as used in this subdivision, includes a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not entered;

(4) revocation, suspension, limitation, conditioning, or other disciplinary action against the person's certified midwife credential in another state, territory, or country; failure to report to the board that charges regarding the person's certified midwifery license, certification, or other credential are pending in another state, territory, or country; or failure to report to the board having been refused a license or other credential by another state, territory, or country;

(5) failure or inability to practice as a certified midwife with reasonable skill and safety, or departure from or failure to conform to standards of acceptable and prevailing certified midwifery, including failure of a certified midwife to adequately supervise or monitor the performance of acts by any person working at the certified midwife's direction;

(6) engaging in unprofessional conduct, including but not limited to a departure from or failure to conform to statutes relating to certified midwifery practice or to the minimal standards of acceptable and prevailing certified midwifery practice, or in any certified midwifery practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause;

(7) supervision or accepting the supervision of a midwifery function or a prescribed health care function when the acceptance could reasonably be expected to result in unsafe or ineffective patient care;

(8) actual or potential inability to practice certified midwifery with reasonable skill and safety to patients by reason of illness; use of alcohol, drugs, chemicals, or any other material; or as a result of any mental or physical condition;

(9) adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or outside of this state;

(10) engaging in any unethical conduct, including but not limited to conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause;

(11) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to a patient, or in sexual exploitation of a patient or former patient;

(12) obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws;

(15) improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of certified midwifery;

(17) violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of certified midwifery, or a state or federal narcotics or controlled substance law;

(18) knowingly providing false or misleading information to a patient that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;

(19) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(20) practicing outside the scope of certified midwifery practice as defined under section 148G.03, subdivision 5;

(21) making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148G.15, or failing to cooperate with an investigation of the board as required by section 148G.17;

(22) engaging in false, fraudulent, deceptive, or misleading advertising;

(23) failure to inform the board of the person's certification or recertification status as a certified midwife;

(24) engaging in certified midwifery practice without a license and current certification or recertification by the American Midwifery Certification Board or any successor organization; or

(25) failure to maintain appropriate professional boundaries with a patient. A certified midwife must not engage in practices that create an unacceptable risk of patient harm or of the impairment of a certified midwife's objectivity or professional judgment. A certified midwife must not act or fail to act in a way that, as judged by a reasonable and prudent certified midwife, inappropriately encourages the patient to relate to the certified midwife outside of the boundaries of the professional relationship, or in a way that interferes with the patient's ability to benefit from certified midwife services. A certified midwife must not use the professional relationship with a patient, student, supervisee, or intern to further the certified midwife's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided in paragraph (e), the board must not grant or renew a license to practice certified midwifery to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision 1 or subdivision 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or subdivision 1a, paragraphs (c) to (g); or a similar statute in another jurisdiction.

(b) A license to practice certified midwifery is automatically revoked if the licensee is convicted of an offense listed in paragraph (a).

(c) A license to practice certified midwifery that has been denied or revoked under this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become licensed if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant's sentence was discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or subdivision 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h); an insurance company; or a government agency, including the Department of Human Services. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 16. [148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.

Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for disciplinary action exist under section 148G.13, it may take one or more of the following actions:

- (1) deny the license application or licensure renewal;
- (2) revoke the license;
- (3) suspend the license;

(4) impose limitations on the certified midwife's practice of certified midwifery including but not limited to limitation of scope of practice or the requirement of practice under supervision;

(5) impose conditions on the retention of the license, including but not limited to the imposition of retraining or rehabilitation requirements or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review;

(6) impose a civil penalty not exceeding \$10,000 for each separate violation. The amount of the civil penalty must be fixed so as to deprive the certified midwife of any economic advantage gained by reason of the violation charged; to reimburse the board for the cost of counsel, investigation, and proceeding; and to discourage repeated violations;

(7) order the certified midwife to provide unremunerated service;

(8) censure or reprimand the certified midwife; or

(9) any other action justified by the facts in the case.

Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a license to practice certified midwifery is automatically suspended if:

(1) a guardian of a certified midwife is appointed by order of a court under sections 524.5-101 to 524.5-502;

(2) the certified midwife is committed by order of a court under chapter 253B; or

(3) the certified midwife is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside of this state.

(b) The license remains suspended until the certified midwife is restored to capacity by a court and, upon petition by the certified midwife, the suspension is terminated by the board after a hearing or upon agreement between the board and the certified midwife.

Subd. 3. **Temporary suspension of license.** In addition to any other remedy provided by law, the board may, through its designated board member under section 214.10, subdivision 2, temporarily suspend the license of a certified midwife without a hearing if the board finds that there is probable cause to believe the certified midwife has violated a statute or rule the board is empowered to enforce and continued practice by the certified midwife would create a serious risk of harm to others. The suspension takes effect upon written notice to the certified midwife, served by first-class mail, specifying the statute or rule violated. The suspension must remain in effect until the board issues a temporary stay of suspension or a final order in the matter after a hearing or upon agreement between the board and the certified midwife. At the time it issues the suspension notice, the board must schedule a disciplinary hearing to be held under the Administrative Procedure Act. The board must provide the certified midwife at least 20 days' notice of any hearing held under this subdivision. The board must schedule the hearing to begin no later than 30 days after the issuance of the suspension order.

Subd. 4. **Reissuance.** The board may reinstate and reissue a license to practice certified midwifery, but as a condition may impose any disciplinary or corrective measure that it might originally have imposed. Any person whose license has been revoked, suspended, or limited may have the license reinstated and a new license issued when, at the discretion of the board, the action is warranted, provided that the board must require the person to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the license; the relicensure fee; and the fee for the current licensure period. The cost of proceedings includes but is not limited to the cost paid by the board to the Office of Administrative Hearings and the Office of the Attorney General for legal and investigative services; the costs of a court reporter and witnesses, reproduction of records, board staff time, travel, and expenses; and the costs of board members' per diem reimbursements, travel costs, and expenses.

Sec. 17. **[148G.15] REPORTING OBLIGATIONS.**

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for discipline under section 148G.13 may report the alleged violation to the board.

Subd. 2. **Institutions.** The chief nursing executive or chief administrative officer of any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state must report to the board any action taken by the institution or organization or any of its administrators or committees to revoke, suspend, limit, or condition a certified midwife's privilege to practice in the institution, or as part of the organization, any denial of privileges, any dismissal from employment, or any other disciplinary action. The institution or organization must also report the resignation of any certified midwife before the conclusion of any disciplinary proceeding, or before commencement of formal charges, but after the certified midwife had knowledge that formal charges were contemplated or in preparation. The reporting described by this subdivision is required only if the action pertains to grounds for disciplinary action under section 148G.13.

Subd. 3. **Licensed professionals.** A person licensed by a health-related licensing board as defined in section 214.01, subdivision 2, must report to the board personal knowledge of any conduct the person reasonably believes constitutes grounds for disciplinary action under section 148G.13 by any certified midwife, including conduct indicating that the certified midwife may be incompetent, may have engaged in unprofessional or unethical conduct, or may be mentally or physically unable to engage safely in the practice of certified midwifery.

Subd. 4. **Insurers.** (a) By the first day of February, May, August, and November, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to certified midwives must submit to the board a report concerning any certified midwife against whom a malpractice award has been made or who has been a party to a settlement. The report must contain at least the following information:

(1) the total number of settlements or awards;

(2) the date a settlement or award was made;

(3) the allegations contained in the claim or complaint leading to the settlement or award;

(4) the dollar amount of each malpractice settlement or award and whether that amount was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to substantiate a charge that a certified midwife may have engaged in conduct in violation of this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent jurisdiction must report to the board any judgment or other determination of the court that adjudges or includes a finding that a certified midwife is a person who is mentally ill, mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of operating a motor vehicle while under the influence of alcohol or a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502 or commits a certified midwife under chapter 253B.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2 to 5 must be submitted no later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that the reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting. The board must review all reports, including those submitted after the deadline.

Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report as required by law.

Sec. 18. **[148G.16] IMMUNITY.**

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the board under section 148G.15 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter. All such reports are investigative data as defined in chapter 13.

Subd. 2. **Investigation.** (a) Members of the board and persons employed by the board or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the board, or persons participating in the investigation or testifying regarding charges of violations, are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

(b) Members of the board and persons employed by the board or engaged in maintaining records and making reports regarding adverse health care events are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 19. **[148G.17] CERTIFIED MIDWIFE COOPERATION.**

A certified midwife who is the subject of an investigation by or on behalf of the board must cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient or other records in the certified midwife's possession, as reasonably requested by

the board, to assist the board in its investigation and to appear at conferences and hearings scheduled by the board. The board must pay for copies requested. If the board does not have written consent from a patient permitting access to the patient's records, the certified midwife must delete any data in the record that identify the patient before providing it to the board. The board must maintain any records obtained pursuant to this section as investigative data under chapter 13. The certified midwife must not be excused from giving testimony or producing any documents, books, records, or correspondence on the grounds of self-incrimination, but the testimony or evidence must not be used against the certified midwife in any criminal case.

Sec. 20. **[148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court must seal the administrative record, except for the board's final decision, and must not make the administrative record available to the public.

Sec. 21. **[148G.19] EXEMPTIONS.**

The provisions of this chapter do not prohibit:

- (1) the furnishing of certified midwifery assistance in an emergency;
- (2) the practice of certified midwifery by any legally qualified certified midwife of another state who is employed by the United States government or any bureau, division, or agency thereof while in the discharge of official duties;
- (3) the practice of any profession or occupation licensed by the state, other than certified midwifery, by any person licensed to practice the profession or occupation, or the performance by a person of any acts properly coming within the scope of the profession, occupation, or license;
- (4) the practice of traditional midwifery as specified under section 147D.03;
- (5) certified midwifery practice by a student practicing under the supervision of an instructor while the student is enrolled in an approved certified midwifery education program; or
- (6) certified midwifery practice by a certified midwife licensed in another state, territory, or jurisdiction who is in Minnesota temporarily:
 - (i) providing continuing or in-service education;
 - (ii) serving as a guest lecturer;
 - (iii) presenting at a conference; or
 - (iv) teaching didactic content via distance education to a student located in Minnesota who is enrolled in a formal, structured course of study, such as a course leading to a higher degree in midwifery.

Sec. 22. **[148G.20] VIOLATIONS; PENALTY.**

Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm, or association to:

(1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or record, or aid or abet therein;

(2) practice certified midwifery under cover of any diploma, permit, license certified midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice certified midwifery unless the person is licensed to do so under this chapter;

(4) use the professional title certified midwife or licensed certified midwife unless licensed to practice certified midwifery under this chapter;

(5) use any abbreviation or other designation tending to imply licensure as a certified midwife unless licensed to practice certified midwifery under this chapter;

(6) practice certified midwifery in a manner prohibited by the board in any limitation of a license issued under this chapter;

(7) practice certified midwifery during the time a license issued under this section is suspended or revoked;

(8) knowingly employ persons in the practice of certified midwifery who have not been issued a current license to practice as a certified midwife in this state; or

(9) conduct a certified midwifery program for the education of persons to become certified midwives unless the program has been approved by the board.

Subd. 2. **Penalty.** Any person, corporation, or association violating any provision of subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a certified midwife who practices certified midwifery without a current license and certification or recertification, or without current certification or recertification on file with the board, is subject to the applicable penalties in section 148G.11.

Sec. 23. [148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.

The practice of certified midwifery by any person who is not licensed to practice certified midwifery under this chapter, or whose license has been suspended or revoked, or whose national certification credential has expired, is inimical to the public health and welfare and constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting officer, and upon a proper showing of the facts, the district court of the county where such practice occurred may enjoin such acts and practice. The injunction proceeding is in addition to, and not in lieu of, all other penalties and remedies provided by law.

Sec. 24. Minnesota Statutes 2022, section 152.12, subdivision 1, is amended to read:

Subdivision 1. **Prescribing, dispensing, administering controlled substances in Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine, duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited to Schedules IV and V, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 25. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services performed by a licensed certified midwife if:

(1) the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the facility payment;

(2) the service is otherwise covered under this chapter as a physician service; and

(3) the service is within the scope of practice of the certified midwife's license as defined under chapter 148G.

Sec. 26. **EFFECTIVE DATE.**

This article is effective July 1, 2025.

ARTICLE 12

SPEECH-LANGUAGE PATHOLOGY ASSISTANT LICENSURE

Section 1. Minnesota Statutes 2022, section 144.0572, subdivision 1, is amended to read:

Subdivision 1. **Criminal history background check requirements.** (a) Beginning January 1, 2018, an applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist or speech-language pathologist, a speech-language pathology assistant, or an applicant for initial certification as a hearing instrument dispenser, must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI).

(b) Beginning January 1, 2020, an applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018, must submit to a criminal history records check of state data completed by the BCA and a national criminal history records check, including a search of the records of the FBI.

(c) An applicant must submit to a background study under chapter 245C.

(d) The criminal history records check must be structured so that any new crimes that an applicant or licensee or certificate holder commits after the initial background check are flagged in the BCA's or FBI's database and reported back to the commissioner of human services.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 148.511, is amended to read:

148.511 SCOPE.

Sections 148.511 to 148.5198 apply to persons who are applicants for licensure, who use protected titles, who represent that they are licensed, or who engage in the practice of speech-language pathology or audiology or practice as a speech-language pathology assistant. Sections 148.511 to 148.5198 do not apply to school personnel licensed by the Professional Educator Licensing and Standards Board and practicing within the scope of their school license under Minnesota Rules, part 8710.6000, or the paraprofessionals who assist these individuals.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who meets the qualifications under section 148.5181 and provides speech-language pathology services under the supervision of a licensed speech-language pathologist in accordance with section 148.5192.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2022, section 148.513, subdivision 1, is amended to read:

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of speech-language pathology or audiology or practice as a speech-language pathology assistant unless the person is licensed as a speech-language pathologist or, an audiologist, or a speech-language pathology assistant under sections 148.511 to 148.5198 ~~or is practicing as a speech-language pathology assistant in accordance with section 148.5192.~~ For purposes of this subdivision, a speech-language pathology assistant's duties are limited to the duties described in accordance with section 148.5192, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 148.513, subdivision 2, is amended to read:

Subd. 2. **Protected titles and restrictions on use; speech-language pathologists and audiologists.** (a) Notwithstanding paragraph ~~(b)~~ (c), the use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198:

- (1) speech-language;
- (2) speech-language pathologist, S, SP, or SLP;
- (3) speech pathologist;
- (4) language pathologist;
- (5) audiologist, A, or AUD;
- (6) speech therapist;
- (7) speech clinician;
- (8) speech correctionist;
- (9) language therapist;
- (10) voice therapist;
- (11) voice pathologist;
- (12) logopedist;
- (13) communicologist;
- (14) aphasiologist;
- (15) phoniatriest;
- (16) audiometrist;
- (17) audioprosthologist;
- (18) hearing therapist;
- (19) hearing clinician; or
- (20) hearing aid audiologist.

(b) Use of the term "Minnesota licensed" in conjunction with the titles protected under ~~this~~ paragraph (a) by any person is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198.

~~(b)~~ (c) A speech-language pathology assistant practicing under ~~section 148.5192~~ sections 148.511 to 148.5198 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and shall only utilize ~~one of the following titles: "speech-language pathology assistant," "SLP assistant," or "SLP asst."~~ the titles provided in subdivision 2b.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to read:

Subd. 2b. **Protected titles and restrictions on use; speech-language pathology assistant.** (a) The use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is licensed under section 148.5181:

(1) speech-language pathology assistant;

(2) SLP assistant; or

(3) SLP asst.

(b) Use of the term "Minnesota licensed" in conjunction with the titles protected under this subdivision by any person is prohibited unless that person is licensed under section 148.5181.

(c) A speech-language pathology assistant practicing under section 148.5192 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and must only utilize the title provided in paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 148.513, subdivision 3, is amended to read:

Subd. 3. **Exemption.** (a) Nothing in sections 148.511 to 148.5198 prohibits the practice of any profession or occupation licensed, certified, or registered by the state by any person duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

(b) Subdivision 1 does not apply to a student participating in supervised field work or supervised course work that is necessary to meet the requirements of ~~section~~ sections 148.515, subdivision 2 ~~or 3~~, or 148.5181, subdivision 2, if the person is designated by a title which clearly indicates the person's status as a student trainee.

(c) Subdivisions 1 ~~and~~ 2, and 2a do not apply to a person visiting and then leaving the state and using titles restricted under this section while in the state, if the titles are used no more than 30 days in a calendar year as part of a professional activity that is limited in scope and duration and is in association with an audiologist or speech-language pathologist licensed under sections 148.511 to 148.5198.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 148.514, subdivision 2, is amended to read:

Subd. 2. **General licensure qualifications.** An applicant for licensure must possess the qualifications required in one of the following clauses:

(1) a person who applies for licensure and does not meet the requirements in clause (2) or (3), must meet the requirements in section 148.515 or 148.5181, subdivision 2;

(2) a person who applies for licensure and who has a current certificate of clinical competence issued by the American Speech-Language-Hearing Association, or board certification by the American Board of Audiology, must meet the requirements of section 148.516; or

(3) a person who applies for licensure by reciprocity must meet the requirements under section 148.517 or 148.5181, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 148.515, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** Except as provided in section 148.516 or 148.517, an applicant for speech-language pathology or audiology must meet the requirements in this section.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 148.518, is amended to read:

148.518 LICENSURE FOLLOWING LAPSE OF LICENSURE STATUS.

Subdivision 1. **Speech-language pathology or audiology lapse.** ~~For~~ An applicant whose licensure status has lapsed, ~~the applicant~~ and who is applying for a speech-language pathology or audiology license must:

(1) apply for licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's license lapsed;

(2) fulfill the requirements of section 148.517;

(3) apply for renewal according to section 148.5191, provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology from the Professional Educator Licensing and Standards Board or for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for Minnesota, and provide evidence of compliance with Professional Educator Licensing and Standards Board or that jurisdiction's continuing education requirements;

(4) apply for renewal according to section 148.5191 and submit verified documentation of successful completion of 160 hours of supervised practice approved by the commissioner. To participate in a supervised practice, the applicant shall first apply and obtain temporary licensing according to section 148.5161; or

(5) apply for renewal according to section 148.5191 and provide documentation of obtaining a qualifying score on the examination described in section 148.515, subdivision 4, within one year of the application date for license renewal.

Subd. 2. Speech-language pathology assistant licensure lapse. An applicant applying for speech-language pathology assistant licensure and whose licensure status has lapsed must:

(1) apply for renewal according to section 148.5191, and provide evidence to the commissioner that the applicant has an associate's degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges;

(2) apply for renewal according to section 148.5191 and provide evidence to the commissioner that the applicant has a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program, including relevant coursework and supervised field experience according to section 148.5181; or

(3) apply for licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's license lapsed.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 11. [148.5181] LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.

Subdivision 1. **Applicability.** Except as provided in subdivisions 3 and 4, an applicant for licensure as a speech-language pathology assistant must meet the requirements of this section.

Subd. 2. **Educational requirements.** (a) To be eligible for speech-language pathology assistant licensure, an applicant must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of either:

(1) an associate's degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner and that includes at least 100 hours of supervised field work experience in speech-language pathology assisting; or

(2) a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program that includes:

(i) coursework in an introduction to speech-language pathology assisting, adult communication disorders and treatment, speech sound disorders, and language disorders at a speech-language pathology assistant level; and

(ii) at least 100 hours of supervised field work experience in speech-language pathology assisting.

(b) Within one month following expiration of a license, an applicant for licensure renewal as a speech-language pathology assistant must provide, on a form provided by the commissioner, evidence to the commissioner of a minimum of 20 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 13 contact hours of continuing education must be directly related to the licensee's area of licensure. Seven contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years must prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees must receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

Subd. 3. **Licensure by reciprocity.** The commissioner shall issue a speech-language pathology assistant license to a person who holds a current speech-language pathology assistant license in another state if the following conditions are met:

(1) payment of the commissioner's current fee for licensure; and

(2) submission of evidence of licensure in good standing from another state that maintains a system and standard of examinations for speech-language pathology assistants which meets or exceeds the current requirements for licensure in Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 148.519, subdivision 1, is amended to read:

Subdivision 1. **Applications for licensure; speech-language pathologists and audiologists.**

(a) An applicant for licensure as a speech-language pathologist or audiologist must:

(1) submit a completed application for licensure on forms provided by the commissioner. The application must include the applicant's name, certification number under chapter 153A, if applicable, business address and telephone number, or home address and telephone number if the applicant practices speech-language pathology or audiology out of the home, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the date of application. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application; and

(2) submit documentation of the certificate of clinical competence issued by the American Speech-Language-Hearing Association, board certification by the American Board of Audiology, or satisfy the following requirements:

(i) submit a transcript showing the completion of a master's or doctoral degree or its equivalent meeting the requirements of section 148.515, subdivision 2;

(ii) submit documentation of the required hours of supervised clinical training;

(iii) submit documentation of the postgraduate clinical or doctoral clinical experience meeting the requirements of section 148.515, subdivision 4; and

(iv) submit documentation of receiving a qualifying score on an examination meeting the requirements of section 148.515, subdivision 6.

(b) In addition, an applicant must:

(1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(2) submit with the application all fees required by section 148.5194;

(3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology; and

(4) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 13. Minnesota Statutes 2022, section 148.519, is amended by adding a subdivision to read:

Subd. 1a. Applications for licensure; speech-language pathology assistants. An applicant for licensure as a speech-language pathology assistant must:

(1) submit a completed application on forms provided by the commissioner. The application must include the applicant's name, business address and telephone number, home address and telephone number, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the application date. The commissioner may ask the applicant to provide additional information needed to clarify information submitted in the application;

(2) submit a transcript showing the completion of the requirements set forth in section 148.5181;

(3) submit a signed statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit all fees required under section 148.5194;

(5) submit a signed waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has worked as a speech-language pathology assistant; and

(6) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has lapsed since the applicant last applied for a license.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. Minnesota Statutes 2022, section 148.5191, subdivision 1, is amended to read:

Subdivision 1. Renewal requirements. To renew licensure, an applicant for license renewal as a speech-language pathologist or audiologist must:

(1) biennially complete a renewal application on a form provided by the commissioner and submit the biennial renewal fee;

(2) meet the continuing education requirements of section 148.5193 and submit evidence of attending continuing education courses, as required in section 148.5193, subdivision 6; and

(3) submit additional information if requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 15. Minnesota Statutes 2022, section 148.5191, is amended by adding a subdivision to read:

Subd. 1a. Renewal requirements; speech-language pathology assistant. To renew licensure, an applicant for license renewal as a speech-language pathology assistant must:

(1) biennially complete a renewal application on a form provided by the commissioner and submit the biennial renewal fee;

(2) meet the continuing education requirements of section 148.5193, subdivision 1a, and submit evidence of attending continuing education courses, as required in section 148.5193, subdivision 1a; and

(3) submit additional information if requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 16. Minnesota Statutes 2022, section 148.5192, subdivision 1, is amended to read:

Subdivision 1. **Delegation requirements.** A licensed speech-language pathologist may delegate duties to a licensed speech-language pathology assistant in accordance with this section following an initial introduction to a client with the speech-language pathologist and speech-language pathology assistant present. ~~Duties may only be delegated to an individual who has documented with a transcript from an educational institution satisfactory completion of either:~~

~~(1) an associate degree from a speech language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner; or~~

~~(2) a bachelor's degree in the discipline of communication sciences or disorders with additional transcript credit in the area of instruction in assistant-level service delivery practices and completion of at least 100 hours of supervised field work experience as a speech-language pathology assistant student.~~

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 17. Minnesota Statutes 2022, section 148.5192, subdivision 2, is amended to read:

Subd. 2. **Delegated duties; prohibitions.** (a) A speech-language pathology assistant may perform only those duties delegated by a licensed speech-language pathologist and must be limited to duties within the training and experience of the speech-language pathology assistant.

(b) Duties may include the following as delegated by the supervising speech-language pathologist:

(1) assist with speech language and hearing screenings;

(2) implement documented treatment plans or protocols developed by the supervising speech-language pathologist;

(3) document client performance, including writing progress notes;

(4) assist with assessments of clients;

(5) assist with preparing materials and scheduling activities as directed;

(6) perform checks and maintenance of equipment;

(7) support the supervising speech-language pathologist in research projects, in-service training, and public relations programs; and

(8) collect data for quality improvement.

(c) A speech-language pathology assistant may not:

(1) perform standardized or nonstandardized diagnostic tests, perform formal or informal evaluations, or interpret test results;

(2) ~~screen or diagnose clients for feeding or swallowing disorders, including using a checklist or tabulating results of feeding or swallowing evaluations, or demonstrate swallowing strategies or precautions to clients or the clients' families~~ demonstrate strategies included in the feeding and swallowing plan developed by the speech-language pathologist or share such information with students, patients, clients, families, staff, and caregivers;

(3) participate in parent conferences, case conferences, or ~~any~~ interdisciplinary team ~~without the presence of the supervising speech-language pathologist or other licensed speech-language pathologist as authorized by the supervising speech-language pathologist~~ meetings without approval from the speech-language pathologist or misrepresent themselves as a speech-language pathologist at such a conference or meeting. The speech-language pathologist and speech-language pathology assistant are required to meet prior to the parent conferences, case conferences, or interdisciplinary team meetings to determine the information to be shared;

(4) provide client or family counseling or consult with the client or the family regarding the client status or service;

(5) write, develop, or modify a client's individualized treatment plan or individualized education program;

(6) select clients for service;

(7) discharge clients from service;

(8) ~~disclose clinical or confidential information either orally or in writing to anyone other than the supervising speech-language pathologist~~ information to other team members without permission from the supervising speech-language pathologist; or

(9) make referrals for additional services.

(d) A speech-language pathology assistant must ~~not only sign any formal~~ documents, including treatment plans, education plans, reimbursement forms, or reports, ~~when cosigned by the supervising speech-language pathologist~~. The speech-language pathology assistant must sign or initial all treatment notes written by the assistant, which must then also be cosigned by the supervising speech-language pathologist.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 18. Minnesota Statutes 2022, section 148.5192, subdivision 3, is amended to read:

Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist shall authorize and accept full responsibility for the performance, practice, and activity of a speech-language pathology assistant. The amount and type of supervision required must be based on the skills and experience of the speech-language pathology assistant. A minimum of one hour every 30 days of consultative supervision time must be documented for each speech-language pathology assistant.

(b) A supervising speech-language pathologist must:

(1) be licensed under sections 148.511 to 148.5198;

(2) hold a certificate of clinical competence from the American Speech-Language-Hearing Association or its equivalent as approved by the commissioner; and

(3) have completed at least ~~one~~ ten hours of continuing education ~~unit~~ in supervision.

(c) ~~The supervision of a speech-language pathology assistant shall be maintained on the following schedule:~~

~~(1) for the first 90 workdays, within a 40-hour work week, 30 percent of the work performed by the speech-language pathology assistant must be supervised and at least 20 percent of the work performed must be under direct supervision; and~~

~~(2) for the work period after the initial 90-day period, within a 40-hour work week, 20 percent of the work performed must be supervised and at least ten percent of the work performed must be under direct supervision~~ Once every 60 days, the supervising speech-language pathologist must treat or cotreat with the speech-language pathology assistant each client on the speech-language pathology assistant's caseload.

(d) For purposes of this section, "direct supervision" means ~~on-site, in-view~~ observation and guidance by the supervising speech-language pathologist during the performance of a delegated duty that occurs either on-site and in-view or through the use of real-time, two-way interactive audio and visual communication. The supervision requirements described in this section are minimum

requirements. Additional supervision requirements may be imposed at the discretion of the supervising speech-language pathologist.

(e) A supervising speech-language pathologist must be available to communicate with a speech-language pathology assistant at any time the assistant is in direct contact with a client.

(f) A supervising speech-language pathologist must document activities performed by the assistant that are directly supervised by the supervising speech-language pathologist. At a minimum, the documentation must include:

(1) information regarding the quality of the speech-language pathology assistant's performance of the delegated duties; and

(2) verification that any delegated clinical activity was limited to duties authorized to be performed by the speech-language pathology assistant under this section.

(g) A supervising speech-language pathologist must review and cosign all informal treatment notes signed or initialed by the speech-language pathology assistant.

(h) A full-time, speech-language pathologist may supervise no more than ~~one~~ two full-time, speech-language pathology ~~assistant~~ assistants or the equivalent of ~~one~~ two full-time ~~assistant~~ assistants.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 19. Minnesota Statutes 2022, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. **Number of contact hours required; speech-language pathologists and audiologists.** (a) An applicant for licensure renewal as a speech-language pathologist or audiologist must meet the requirements for continuing education stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).

(b) Within one month following expiration of a license, an applicant for licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 20 contact hours of continuing education must be directly related to the licensee's area of licensure. Ten contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(c) An applicant for licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of

continuing education may be in areas generally related to the licensee's areas of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(d) If the licensee is licensed by the Professional Educator Licensing and Standards Board:

(1) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) directly related to speech-language pathology;

(2) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) generally related to speech-language pathology; and

(3) one clock hour as defined in Minnesota Rules, part 8710.7200, subpart 1, is equivalent to 1.0 contact hours of continuing education.

(e) Contact hours may not be accumulated in advance and transferred to a future continuing education period.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 20. Minnesota Statutes 2022, section 148.5193, is amended by adding a subdivision to read:

Subd. 1a. Continuing education; speech-language pathology assistants. An applicant for licensure renewal as a speech-language pathology assistant must meet the requirements for continuing education established by the American Speech-Language-Hearing Association and submit evidence of attending continuing education courses. A licensee must receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was completed. Continuing education contact hours obtained in one licensure period must not be transferred to a future licensure period.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 21. Minnesota Statutes 2022, section 148.5194, is amended by adding a subdivision to read:

Subd. 3b. Speech-language pathology assistant licensure fees. The fee for initial licensure as a speech-language pathology assistant is \$493. The fee for licensure renewal for a speech-language pathology assistant is \$493.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 22. Minnesota Statutes 2022, section 148.5194, subdivision 8, is amended to read:

Subd. 8. **Penalty fees.** (a) The penalty fee for practicing speech-language pathology or audiology, practicing as a speech-language pathology assistant, or using protected titles without a current license after the credential has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months.

(b) The penalty fee for applicants who engage in the unauthorized practice of speech-language pathology or audiology, practice as a speech-language pathology assistant, or ~~using~~ use of protected titles before being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. This paragraph does not apply to applicants not qualifying for a license who engage in the unauthorized practice of speech language pathology or audiology or in the unauthorized practice as a speech-language pathology assistant.

(c) The penalty fee for practicing speech-language pathology or audiology and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. The penalty fee for a licensed speech-language pathology assistant who fails to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The licensee must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by licensees prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. For conduct described in paragraph (a) or (b) occurring after August 1, 2005, and exceeding six months, payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 23. Minnesota Statutes 2023 Supplement, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;

(3) performed services of a speech-language pathologist ~~or~~, audiologist, or speech-language pathology assistant in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5198;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology or audiology or to the practice of a speech-language pathology assistant. Conviction for violating any state or federal law which relates to speech-language pathology ~~or~~ audiology, or to the practice of a speech-language pathology assistant is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified prescription hearing aid dispenser:

(i) prescribed to a consumer or potential consumer the use of a prescription hearing aid, unless the prescription from a physician, an audiologist, or a certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION MAY BE FILLED BY, AND PRESCRIPTION HEARING AIDS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of prescription hearing aids in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's prescription hearing aid used as a trade-in or for a discount in the price of a new prescription hearing aid when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing prescription hearing aids;

(vii) failed to dispense a prescription hearing aid in a competent manner or without appropriate training;

(viii) delegated prescription hearing aid dispensing authority to a person not authorized to dispense a prescription hearing aid under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a prescription hearing aid dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's prescription hearing aid dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 24. Minnesota Statutes 2022, section 148.5195, subdivision 5, is amended to read:

Subd. 5. **Consequences of disciplinary actions.** Upon the suspension or revocation of licensure, the speech-language pathologist or audiologist, or speech-language pathology assistant, shall cease to practice speech-language pathology or audiology, or practice as a speech-language pathology assistant, to use titles protected under sections 148.511 to 148.5198, and to represent to the public

that the speech-language pathologist or audiologist, or speech-language pathology assistant, is licensed by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 25. Minnesota Statutes 2022, section 148.5195, subdivision 6, is amended to read:

Subd. 6. **Reinstatement requirements after disciplinary action.** A speech-language pathologist or audiologist, or speech-language pathology assistant, who has had licensure suspended may petition on forms provided by the commissioner for reinstatement following the period of suspension specified by the commissioner. The requirements of section 148.5191 for renewing licensure must be met before licensure may be reinstated.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 26. Minnesota Statutes 2023 Supplement, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint ~~12~~ 13 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The ~~12~~ 13 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing aid user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of prescription hearing aids in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist prescription hearing aid dispenser recommended by a professional association representing prescription hearing aid dispensers; ~~and~~

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery; and

(7) one speech-language pathology assistant licensed under sections 148.511 to 148.5198.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 27. Minnesota Statutes 2022, section 148.5196, subdivision 3, is amended to read:

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist and audiologist licensure standards;

(2) advise the commissioner regarding the delegation of duties to, the licensure standards for, and the training required for speech-language pathology assistants;

(3) advise the commissioner on enforcement of sections 148.511 to 148.5198;

(4) provide for distribution of information regarding speech-language pathologist ~~and~~ audiologist, and speech-language pathology assistant licensure standards;

(5) review applications and make recommendations to the commissioner on granting or denying licensure or licensure renewal;

(6) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether licensure should be denied or disciplinary action taken against the individual;

(7) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 2; and

(8) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 28. Minnesota Statutes 2023 Supplement, section 245C.031, subdivision 4, is amended to read:

Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner of health.** The commissioner shall conduct an alternative background study, including a check of state data, and a national criminal history records check of the following individuals. For studies under this section, the following persons shall complete a consent form and criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist ~~or~~ speech-language pathologist, or speech-language pathologist assistant, or an applicant for initial certification as a hearing instrument dispenser who must submit to a background study under section 144.0572.

(2) An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 13

APPROPRIATIONS

Section 1. COMMISSIONER OF HEALTH.

Subdivision 1. **Registration of transfer care specialists.** \$198,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement registration requirements for transfer care specialists under Minnesota Statutes, section 149A.47. The base for this appropriation is \$105,000 in fiscal year 2026 and \$105,000 in fiscal year 2027.

Subd. 2. **Licensure of speech-language pathology assistants.** \$105,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement licensing requirements for speech-language pathology assistants under Minnesota Statutes, section 148.5181. The base for this appropriation is \$22,000 in fiscal year 2026 and \$22,000 in fiscal year 2027.

Subd. 3. **Audiology and speech-language interstate compact.** \$279,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the commissioner of health to implement the audiology and speech-language pathology interstate compact under Minnesota Statutes, section 148.5185. The base for this appropriation is \$106,000 in fiscal year 2026 and \$106,000 in fiscal year 2027.

Sec. 2. BOARD OF BEHAVIORAL HEALTH AND THERAPY; LICENSED PROFESSIONAL COUNSELOR INTERSTATE COMPACT.

\$159,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the board of behavioral health and therapy to implement the licensed professional counselor interstate compact under Minnesota Statutes, section 148B.75. The base for this appropriation is \$95,000 in fiscal year 2026 and \$95,000 in fiscal year 2027.

Sec. 3. BOARD OF DENTISTRY.

Subdivision 1. **Licensure by credential for dental assistants.** \$2,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement modifications to licensing requirements under Minnesota Statutes, section 150A.06, subdivision 8. The base for this appropriation is \$3,000 in fiscal year 2026 and \$5,000 in fiscal year 2027.

Subd. 2. **Dentist and dental hygienist compact.** \$41,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the dentist and dental hygienist compact under Minnesota Statutes, section 150A.051. The base for this appropriation is \$42,000 in fiscal year 2026 and \$42,000 in fiscal year 2027.

Sec. 4. BOARD OF MARRIAGE AND FAMILY THERAPY; LICENSED MARRIAGE AND FAMILY THERAPIST GUEST LICENSE.

\$18,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Marriage and Family Therapy to implement the licensed marriage and family therapist guest license under Minnesota Statutes, section 148B.331. The base for this appropriation is \$1,000 in fiscal year 2026 and \$1,000 in fiscal year 2027.

Sec. 5. BOARD OF MEDICAL PRACTICE.

Subdivision 1. **Licensing requirements for graduates of foreign medical schools.** \$81,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement licensing requirements for graduates of foreign medical schools under Minnesota Statutes, section 147.037. The base for this appropriation is \$74,000 in fiscal year 2026 and \$60,000 in fiscal year 2027.

Subd. 2. **Physician assistant licensure compact.** \$113,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the physician assistant licensure compact under Minnesota Statutes, section 148.675. The base for this appropriation is \$142,000 in fiscal year 2026 and \$96,000 in fiscal year 2027.

Sec. 6. BOARD OF OCCUPATIONAL THERAPY PRACTICE; OCCUPATIONAL THERAPY LICENSURE COMPACT.

\$143,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Occupational Therapy Practice to implement the occupational therapy licensure compact under Minnesota Statutes, section 148.645. The base for this appropriation is \$80,000 in fiscal year 2026 and \$80,000 in fiscal year 2027.

Sec. 7. BOARD OF PHYSICAL THERAPY; PHYSICAL THERAPY LICENSURE COMPACT.

\$160,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Physical Therapy to implement the physical therapy licensure compact under Minnesota Statutes, section 148.676. The base for this appropriation is \$95,000 in fiscal year 2026 and \$95,000 in fiscal year 2027.

Sec. 8. BOARD OF PSYCHOLOGY; LICENSING REQUIREMENTS FOR BEHAVIOR ANALYSTS AND ASSISTANT BEHAVIOR ANALYSTS.

\$81,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Psychology to implement licensing requirements for behavior analysts and assistant behavior analysts under Minnesota Statutes, sections 148.9981 to 148.9995. The base for this appropriation is \$47,000 in fiscal year 2026 and \$47,000 in fiscal year 2027.

Sec. 9. BOARD OF SOCIAL WORK.

Subdivision 1. **Social worker provisional licensing.** \$133,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement social worker provisional licensing requirements. The base for this appropriation is \$80,000 in fiscal year 2026 and \$80,000 in fiscal year 2027.

Subd. 2. **Social work interstate compact.** \$3,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Social Work to implement the social work interstate compact under Minnesota Statutes, sections 148E.40 to 148E.55. The base for this appropriation is \$149,000 in fiscal year 2026 and \$83,000 in fiscal year 2027.

Sec. 10. BOARD OF VETERINARY MEDICINE; LICENSING REQUIREMENTS FOR VETERINARY TECHNICIANS.

\$23,000 in fiscal year 2025 is appropriated from the state government special revenue fund to the Board of Veterinary Medicine to implement licensing requirements for veterinary technicians under Minnesota Statutes, section 156.077. The base for this appropriation is \$52,000 in fiscal year 2026 and \$52,000 in fiscal year 2027.

Sec. 11. EFFECTIVE DATE.

This article is effective July 1, 2024.

ARTICLE 14

PHYSICIAN ASSISTANTS

Section 1. [148.675] PHYSICIAN ASSISTANT LICENSURE COMPACT.

The physician assistant (PA) licensure compact is enacted into law and entered into with all other jurisdictions legally joining in it in the form substantially specified in this section.

ARTICLE I

TITLE

This statute shall be known and cited as the physician assistant licensure compact.

ARTICLE II

DEFINITIONS

As used in this compact, and except as otherwise provided, the following terms have the meanings given them.

(a) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws that is imposed by a licensing board or other authority against a PA license, license application, or compact privilege such as license denial, censure, revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(b) "Charter participating states" means the states that enacted the compact prior to the commission convening.

(c) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another participating state to practice as a PA to provide medical services or other licensed activities to a patient located in the remote state under the remote state's laws and regulations.

(d) "Conviction" means a finding by a court that an individual is guilty of a felony or misdemeanor offense through adjudication or entry of a plea of guilt or no contest to the charge by the offender.

(e) "Criminal background check" means the submission of fingerprints or other biometric-based information for a license applicant for the purpose of obtaining that applicant's criminal history record information, as defined in Code of Federal Regulations, title 28, part 20, subpart 20.3, clause (d), from the state's criminal history record repository, as defined in Code of Federal Regulations, title 28, part 20, subpart 20.3, clause (f).

(f) "Data system" means the repository of information about licensees, including but not limited to license status and adverse action, that is created and administered under the terms of this compact.

(g) "Executive committee" means a group of directors and ex officio individuals elected or appointed pursuant to article VII, paragraph (f), clause (2).

(h) "Impaired practitioner" means a PA whose practice is adversely affected by a health-related condition that impacts the PA's ability to practice.

(i) "Investigative information" means information, records, and documents received or generated by a licensing board pursuant to an investigation.

(j) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of a PA in a state.

(k) "License" means current authorization by a state, other than authorization pursuant to a compact privilege, for a PA to provide medical services, which would be unlawful without current authorization.

(l) "Licensee" means an individual who holds a license from a state to provide medical services as a PA.

(m) "Licensing board" means any state entity authorized to license and otherwise regulate PAs.

(n) "Medical services" means health care services provided for the diagnosis, prevention, treatment, cure, or relief of a health condition, injury, or disease, as defined by a state's laws and regulations.

(o) "Model compact" means the model for the PA licensure compact on file with the Council of State Governments or other entity as designated by the commission.

(p) "Participating state" means a state that has enacted this compact.

(q) "PA" means an individual who is licensed as a physician assistant in a state. For purposes of this compact, any other title or status adopted by a state to replace the term "physician assistant" shall be deemed synonymous with "physician assistant" and shall confer the same rights and responsibilities to the licensee under the provisions of this compact at the time of its enactment.

(r) "PA Licensure Compact Commission" or "compact commission" or "commission" means the national administrative body created pursuant to article VII, paragraph (a).

(s) "Qualifying license" means an unrestricted license issued by a participating state to provide medical services as a PA.

(t) "Remote state" means a participating state where a licensee who is not licensed as a PA is exercising or seeking to exercise the compact privilege.

(u) "Rule" means a regulation promulgated by an entity that has the force and effect of law.

(v) "Significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the PA to respond if required by state law, has reason to believe is not groundless and, if proven true, would indicate more than a minor infraction.

(w) "State" means any state, commonwealth, district, or territory of the United States.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in this compact, a participating state must:

(1) license PAs;

(2) participate in the commission's data system;

(3) have a mechanism in place for receiving and investigating complaints against licensees and license applicants;

(4) notify the commission, in compliance with the terms of this compact and commission rules, of any adverse action against the licensee or license applicant and the existence of significant investigative information regarding a licensee or license applicant;

(5) fully implement a criminal background check requirement, within a time frame established by commission rule, by its licensing board receiving the results of a criminal background check and reporting to the commission whether the license applicant has been granted a license;

(6) fully comply with the rules of the compact commission;

(7) utilize a recognized national examination such as the National Commission on Certification of Physician Assistants (NCCPA) physician assistant national certifying examination as a requirement for PA licensure; and

(8) grant the compact privilege to a holder of a qualifying license in a participating state.

(b) Nothing in this compact prohibits a participating state from charging a fee for granting the compact privilege.

ARTICLE IVCOMPACT PRIVILEGE

(a) To exercise the compact privilege, a licensee must:

(1) have graduated from a PA program accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc. or other programs authorized by commission rule;

(2) hold current NCCPA certification;

(3) have no felony or misdemeanor convictions;

(4) have never had a controlled substance license, permit, or registration suspended or revoked by a state or by the United States Drug Enforcement Administration;

(5) have a unique identifier as determined by commission rule;

(6) hold a qualifying license;

(7) have had no revocation of a license or limitation or restriction due to an adverse action on any currently held license;

(8) if a licensee has had a limitation or restriction on a license or compact privilege due to an adverse action, two years must have elapsed from the date on which the license or compact privilege is no longer limited or restricted due to the adverse action;

(9) if a compact privilege has been revoked or is limited or restricted in a participating state for conduct that would not be a basis for disciplinary action in a participating state in which the licensee is practicing or applying to practice under a compact privilege, that participating state shall have the discretion not to consider such action as an adverse action requiring the denial or removal of a compact privilege in that state;

(10) notify the compact commission that the licensee is seeking the compact privilege in a remote state;

(11) meet any jurisprudence requirement of a remote state in which the licensee is seeking to practice under the compact privilege and pay any fees applicable to satisfying the jurisprudence requirement; and

(12) report to the commission any adverse action taken by any nonparticipating state within 30 days after the date the action is taken.

(b) The compact privilege is valid until the expiration or revocation of the qualifying license unless terminated pursuant to an adverse action. The licensee must also comply with all of the requirements of paragraph (a) to maintain the compact privilege in a remote state. If the participating state takes adverse action against a qualifying license, the licensee shall lose the compact privilege in any remote state in which the licensee has a compact privilege until all of the following occur:

(1) the license is no longer limited or restricted; and

(2) two years have elapsed from the date on which the license is no longer limited or restricted due to the adverse action.

(c) Once a restricted or limited license satisfies the requirements of paragraph (b), the licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any remote state.

(d) For each remote state in which a PA seeks authority to prescribe controlled substances, the PA shall satisfy all requirements imposed by such state in granting or renewing such authority.

ARTICLE V

DESIGNATION OF THE STATE FROM WHICH LICENSEE IS APPLYING FOR COMPACT PRIVILEGE

Upon a licensee's application for a compact privilege, the licensee must identify to the commission the participating state from which the licensee is applying, in accordance with applicable rules adopted by the commission, and subject to the following requirements:

(1) the licensee must provide the commission with the address of the licensee's primary residence and thereafter shall immediately report to the commission any change in the address of the licensee's primary residence; and

(2) the licensee must consent to accept service of process by mail at the licensee's primary residence on file with the commission with respect to any action brought against the licensee by the commission or a participating state, including a subpoena, with respect to any action brought or investigation conducted by the commission or a participating state.

ARTICLE VI

ADVERSE ACTIONS

(a) A participating state in which a licensee is licensed shall have exclusive power to impose adverse action against the qualifying license issued by that participating state.

(b) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to do the following:

(1) take adverse action against a PA's compact privilege in the state to remove a licensee's compact privilege or take other action necessary under applicable law to protect the health and safety of its citizens; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a licensing board in a participating state for the attendance and testimony of witnesses or the production of evidence from another participating state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(c) Notwithstanding paragraph (b), clause (1), subpoenas may not be issued by a participating state to gather evidence of conduct in another state that is lawful in that other state, for the purpose of taking adverse action against a licensee's compact privilege or application for a compact privilege in that participating state.

(d) Nothing in this compact authorizes a participating state to impose discipline against a PA's compact privilege or to deny an application for a compact privilege in that participating state for the individual's otherwise lawful practice in another state.

(e) For purposes of taking adverse action, the participating state which issued the qualifying license shall give the same priority and effect to reported conduct received from any other participating state as it would if the conduct had occurred within the participating state which issued the qualifying license. In so doing, that participating state shall apply its own state laws to determine appropriate action.

(f) A participating state, if otherwise permitted by state law, may recover from the affected PA the costs of investigations and disposition of cases resulting from any adverse action taken against that PA.

(g) A participating state may take adverse action based on the factual findings of a remote state, provided that the participating state follows its own procedures for taking the adverse action.

(h) Joint investigations:

(1) in addition to the authority granted to a participating state by its respective state PA laws and regulations or other applicable state law, any participating state may participate with other participating states in joint investigations of licensees; and

(2) participating states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under this compact.

(i) If an adverse action is taken against a PA's qualifying license, the PA's compact privilege in all remote states shall be deactivated until two years have elapsed after all restrictions have been removed from the state license. All disciplinary orders by the participating state which issued the qualifying license that impose adverse action against a PA's license shall include a statement that the PA's compact privilege is deactivated in all participating states during the pendency of the order.

(j) If any participating state takes adverse action, it promptly shall notify the administrator of the data system.

ARTICLE VII

ESTABLISHMENT OF THE PA LICENSURE COMPACT COMMISSION

(a) The participating states hereby create and establish a joint government agency and national administrative body known as the PA Licensure Compact Commission. The commission is an instrumentality of the compact states acting jointly, and is not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in article XI, paragraph (a).

(b) Membership, voting, and meetings:

(1) each participating state shall have and be limited to one delegate selected by that participating state's licensing board or, if the state has more than one licensing board, selected collectively by the participating state's licensing boards;

(2) the delegate shall be:

(i) a current PA, physician, or public member of a licensing board or PA council or committee;
or

(ii) an administrator of a licensing board;

(3) any delegate may be removed or suspended from office as provided by the laws of the state from which the delegate is appointed;

(4) the participating state board shall fill any vacancy occurring in the commission within 60 days;

(5) each delegate shall be entitled to one vote on all matters voted on by the commission and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(6) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telecommunications, video conference, or other means of communication;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in this compact and the bylaws; and

(8) the commission shall establish by rule a term of office for delegates.

(c) The commission shall have the following powers and duties:

(1) establish a code of ethics for the commission;

(2) establish the fiscal year of the commission;

(3) establish fees;

(4) establish bylaws;

(5) maintain its financial records in accordance with the bylaws;

(6) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(7) promulgate rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all participating states;

(8) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(9) purchase and maintain insurance and bonds;

(10) borrow, accept, or contract for services of personnel, including but not limited to employees of a participating state;

(11) hire employees and engage contractors, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same, provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(13) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use, any property, real, personal, or mixed, provided that at all times the commission shall avoid any appearance of impropriety;

(14) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(15) establish a budget and make expenditures;

(16) borrow money;

(17) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(18) provide and receive information from, and cooperate with, law enforcement agencies;

(19) elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(20) reserve for itself, in addition to those reserved exclusively to the commission under the compact, powers that the executive committee may not exercise;

(21) approve or disapprove a state's participation in the compact based upon its determination as to whether the state's compact legislation departs in a material manner from the model compact language;

(22) prepare and provide to the participating states an annual report; and

(23) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of PA licensure and practice.

(d) Meetings of the commission:

(1) all meetings of the commission that are not closed pursuant to this paragraph shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting;

(2) notwithstanding clause (1), the commission may convene a public meeting by providing at least 24 hours' prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rulemaking under article IX, paragraph (1);

(3) the commission may convene in a closed, nonpublic meeting or nonpublic part of a public meeting to receive legal advice or to discuss:

(i) noncompliance of a participating state with its obligations under this compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees, or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of, or for use of, the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to this compact;

(x) legal advice; or

(xi) matters specifically exempted from disclosure by federal or participating states' statutes;

(4) if a meeting, or portion of a meeting, is closed pursuant to clause (3), the chair of the meeting or the chair's designee shall certify that the meeting or portion of the meeting may be closed and shall reference each relevant exempting provision; and

(5) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, including a description of the views expressed. All documents considered in connection with an action shall be identified in

such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(e) Financing of the commission:

(1) the commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities;

(2) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(3) the commission may levy on and collect an annual assessment from each participating state and may impose compact privilege fees on licensees of participating states to whom a compact privilege is granted, to cover the cost of the operations and activities of the commission and its staff. The cost of the operations and activities of the commission and its staff must be in a total amount sufficient to cover its annual budget as approved by the commission each year for which revenue is not provided by other sources. The aggregate annual assessment amount levied on participating states shall be allocated based upon a formula to be determined by commission rule;

(i) a compact privilege expires when the licensee's qualifying license in the participating state from which the licensee applied for the compact privilege expires; and

(ii) if the licensee terminates the qualifying license through which the licensee applied for the compact privilege before its scheduled expiration, and the licensee has a qualifying license in another participating state, the licensee shall inform the commission that it is changing the participating state through which it applies for a compact privilege to the other participating state and pay to the commission any compact privilege fee required by commission rule;

(4) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same, nor shall the commission pledge the credit of any of the participating states, except by and with the authority of the participating state; and

(5) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(f) The executive committee:

(1) the executive committee shall have the power to act on behalf of the commission according to the terms of this compact and commission rules;

(2) the executive committee shall be composed of nine members as follows:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex officio, nonvoting member from a recognized national PA professional association; and

(iii) one ex officio, nonvoting member from a recognized national PA certification organization;

(3) the ex officio members will be selected by their respective organizations;

(4) the commission may remove any member of the executive committee as provided in its bylaws;

(5) the executive committee shall meet at least annually;

(6) the executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the commission's rules or bylaws, changes to this compact legislation, fees paid by compact participating states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of participating states and provide compliance reports to the commission;

(vi) establish additional committees as necessary;

(vii) exercise the powers and duties of the commission during the interim between commission meetings, except for issuing proposed rulemaking or adopting commission rules or bylaws, or exercising any other powers and duties exclusively reserved to the commission by the commission's rules; and

(viii) perform other duties as provided in commission's rules or bylaws;

(7) all meetings of the executive committee at which it votes or plans to vote on matters in exercising the powers and duties of the commission shall be open to the public, and public notice of such meetings shall be given as public meetings of the commission are given; and

(8) the executive committee may convene in a closed, nonpublic meeting for the same reasons that the commission may convene in a nonpublic meeting as set forth in paragraph (d), clause (3), and shall announce the closed meeting as the commission is required to under paragraph (d), clause (4), and keep minutes of the closed meeting as the commission is required to under paragraph (d), clause (5).

(g) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim

for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense, and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct;

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person;

(4) except as provided under paragraph (i), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses in any proceedings as authorized by commission rules;

(5) nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws;

(6) nothing herein shall be construed to designate the venue or jurisdiction to bring actions for alleged acts of malpractice, professional misconduct, negligence, or other such civil action pertaining to the practice of a PA. All such matters shall be determined exclusively by state law other than this compact;

(7) nothing in this compact shall be interpreted to waive or otherwise abrogate a participating state's state action immunity or state action affirmative defense with respect to antitrust claims under the federal Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation; and

(8) nothing in this compact shall be construed to be a waiver of sovereign immunity by the participating states or by the commission.

(h) Notwithstanding paragraph (g), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state

for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(i) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

ARTICLE VIII

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure and adverse action information, and the reporting of significant investigative information on all licensed PAs and applicants denied a license in participating states.

(b) Notwithstanding any other state law to the contrary, a participating state shall submit a uniform data set to the data system on all PAs to whom this compact is applicable, using a unique identifier, as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) any denial of application for licensure and the reason or reasons for the denial, excluding the reporting of any criminal history record information where prohibited by law;

(5) the existence of significant investigative information; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Significant investigative information pertaining to a licensee in any participating state shall only be available to other participating states.

(d) The commission shall promptly notify all participating states of any reports it receives of any adverse action taken against a licensee or an individual applying for a license. This adverse action information shall be available to any other participating state.

(e) Participating states contributing information to the data system may, in accordance with state or federal law, designate information that may not be shared with the public without the express permission of the contributing state. Notwithstanding any such designation, such information shall be reported to the commission through the data system.

(f) Any information submitted to the data system that is subsequently expunged by federal law or the laws of the participating state contributing the information shall be removed from the data system upon reporting of such by the participating state to the commission.

(g) The records and information provided to a participating state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a participating state.

ARTICLE IX

RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Commission rules shall become binding as of the date specified by the commission for each rule.

(b) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer this compact and achieve its purposes. A commission rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission exercised its rulemaking authority in a manner that is beyond the scope of the purposes of this compact, or the powers granted hereunder, or based upon another applicable standard of review.

(c) The rules of the commission shall have the force of law in each participating state, provided however that where the rules of the commission conflict with the laws of the participating state that establish the medical services a PA may perform in the participating state, as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(d) If a majority of the legislatures of the participating states rejects a commission rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any participating state or in any state applying to participate in the compact.

(e) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(f) Prior to promulgation and adoption of a final rule or rules by the commission and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform;

(2) to persons who have requested notice of the commission's notices of proposed rulemaking;
and

(3) in such other ways as the commission may specify by rule.

(g) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing on the proposed rule;

(2) the time, date, and location of the public hearing in which the proposed rule will be considered and voted upon;

(3) the text of the proposed rule and the reason for the proposed rule;

(4) a request for comments on the proposed rule from any interested person and the date by which written comments must be received; and

(5) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(h) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(i) If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) all persons wishing to be heard at the hearing shall notify the commission of their desire to appear and testify at the hearing, not less than five business days before the scheduled date of the hearing, as directed in the notice of proposed rulemaking;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings shall be recorded. A copy of the recording and the written comments, data, facts, opinions, and arguments received in response to the proposed rulemaking shall be made available to a person on request; and

(4) nothing in this section shall be construed as requiring a separate hearing on each rule. Proposed rules may be grouped for the convenience of the commission at hearings required by this article.

(j) Following the public hearing, the commission shall consider all written and oral comments timely received.

(k) The commission shall, by majority vote of all delegates, take final action on the proposed rule and shall determine the effective date of the rule, if adopted, based on the rulemaking record and the full text of the rule. The commission:

(1) shall, if adopted, post the rule on the commission's website;

(2) may adopt changes to the proposed rule provided the changes do not expand the original purpose of the proposed rule;

(3) shall provide on its website an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters; and

(4) shall determine a reasonable effective date for the rule. Except for an emergency as provided in paragraph (1), the effective date of the rule shall be no sooner than 30 days after the commission issued the notice that it adopted the rule.

(l) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with 24 hours' prior notice, without the opportunity for comment or hearing, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately by the commission in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or participating state funds;

(3) meet a deadline for the promulgation of a commission rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The commission or an authorized committee of the commission may direct revisions to a previously adopted commission rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made as set forth in the notice of revisions and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(n) No participating state's rulemaking requirements shall apply under this compact.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive and judicial branches of state government in each participating state shall enforce this compact and take all actions necessary and appropriate to implement the compact;

(2) venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter; and

(3) the commission shall be entitled to receive service of process in any such proceeding regarding the enforcement or interpretation of the compact or the commission's rules and shall have standing

to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or commission rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under this compact or the commission rules, the commission shall:

(i) provide written notice to the defaulting state and other participating states describing the default, the proposed means of curing the default, or any other action that the commission may take; and

(ii) offer remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state may be terminated from this compact upon an affirmative vote of a majority of the delegates of the participating states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of participation in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and the licensing board or boards of each of the participating states;

(4) a state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or that has been terminated from this compact, unless agreed upon in writing between the commission and the defaulting state;

(6) the defaulting state may appeal its termination from the compact by the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(7) upon the termination of a state's participation in the compact, the state shall immediately provide notice to all licensees within that state of such termination:

(i) licensees who have been granted a compact privilege in that state shall retain the compact privilege for 180 days following the effective date of such termination; and

(ii) licensees who are licensed in that state who have been granted a compact privilege in a participating state shall retain the compact privilege for 180 days, unless the licensee also has a qualifying license in a participating state or obtains a qualifying license in a participating state before the 180-day period ends, in which case the compact privilege shall continue.

(c) Dispute resolution:

(1) upon request by a participating state, the commission shall attempt to resolve disputes related to this compact that arise among participating states and between participating and nonparticipating states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and rules of the commission;

(2) if compliance is not secured after all means to secure compliance have been exhausted, by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a participating state in default, to enforce compliance with the provisions of this compact and the commission's promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

(e) Legal action against the commission:

(1) a participating state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and the commission's rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees; and

(2) no person other than a participating state shall enforce this compact against the commission.

ARTICLE XI

DATE OF IMPLEMENTATION OF THE PA LICENSURE COMPACT COMMISSION

(a) This compact shall come into effect on the date on which the compact statute is enacted into law in the seventh participating state.

(b) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter participating states to determine if the statute enacted by each charter participating state is materially different than the model compact. A charter participating state whose enactment is found to be materially different from the model compact shall be entitled to the default process set forth in article X, paragraph (b).

(c) If any participating state later withdraws from the compact or its participation is terminated, the commission shall remain in existence and the compact shall remain in effect even if the number of participating states should be less than seven. Participating states enacting the compact subsequent to the commission convening shall be subject to the process set forth in article VII, paragraph (c), clause (21), to determine if their enactments are materially different from the model compact and whether they qualify for participation in the compact.

(d) Any participating state enacting the compact subsequent to the seven initial charter participating states shall be subject to the process set forth in article VII, paragraph (c), clause (21), to determine if the state's enactment is materially different from the model compact and whether the state qualifies for participation in the compact.

(e) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission.

(f) Any state that joins this compact shall be subject to the commission's rules and bylaws as they exist on the date on which this compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day this compact becomes law in that state.

(g) Any participating state may withdraw from this compact by enacting a statute repealing the same:

(1) a participating state's withdrawal shall not take effect until 180 days after enactment of the repealing statute. During this 180-day period, all compact privileges that were in effect in the withdrawing state and were granted to licensees licensed in the withdrawing state shall remain in effect. If any licensee licensed in the withdrawing state is also licensed in another participating state or obtains a license in another participating state within the 180 days, the licensee's compact privileges in other participating states shall not be affected by the passage of the 180 days;

(2) withdrawal shall not affect the continuing requirement of the state licensing board or boards of the withdrawing state to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal; and

(3) upon the enactment of a statute withdrawing a state from this compact, the state shall immediately provide notice of such withdrawal to all licensees within that state. Such withdrawing state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(h) Nothing contained in this compact shall be construed to invalidate or prevent any PA licensure agreement or other cooperative arrangement between participating states or a participating state and a nonparticipating state that does not conflict with the provisions of this compact.

(i) This compact may be amended by the participating states. No amendment to this compact shall become effective and binding upon any participating state until it is enacted materially in the same manner into the laws of all participating states, as determined by the commission.

ARTICLE XIICONSTRUCTION AND SEVERABILITY

(a) This compact and the commission's rulemaking authority shall be liberally construed so as to effectuate the purposes of the compact and its implementation and administration. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rulemaking authority solely for those purposes.

(b) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the constitution of any participating state, of a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby.

(c) Notwithstanding paragraph (b) or any provision of this article, the commission may deny a state's participation in the compact or, in accordance with the requirements of article X, paragraph (b), terminate a participating state's participation in the compact, if it determines that a constitutional requirement of a participating state is, or would be with respect to a state seeking to participate in the compact, a material departure from the compact. Otherwise, if this compact shall be held to be contrary to the constitution of any participating state, the compact shall remain in full force and effect as to the remaining participating states and in full force and effect as to the participating state affected as to all severable matters.

ARTICLE XIIIBINDING EFFECT OF THE COMPACT

(a) Nothing herein prevents the enforcement of any other law of a participating state that is not inconsistent with this compact.

(b) Any laws in a participating state in conflict with this compact are superseded to the extent of the conflict.

(c) All agreements between the commission and the participating states are binding in accordance with their terms.

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

Sec. 2. **DIRECTION TO BOARD OF MEDICAL PRACTICE.**

The Board of Medical Practice must publish the effective date of the compact in Minnesota Statutes, section 148.675, in the State Register and on the board's website.

ARTICLE 15**OCCUPATIONAL THERAPISTS****Section 1. [148.645] OCCUPATIONAL THERAPY LICENSURE COMPACT.**ARTICLE ITITLE

This statute shall be known and cited as the occupational therapist licensure compact.

ARTICLE IIDEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall apply:

(A) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211.

(B) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against an occupational therapist or occupational therapy assistant, including actions against an individual's license or compact privilege such as censure, revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(C) "Alternative program" means a nondisciplinary monitoring process approved by an occupational therapy licensing board.

(D) "Compact privilege" means the authorization, which is equivalent to a license, granted by a remote state to allow a licensee from another member state to practice as an occupational therapist or practice as an occupational therapy assistant in the remote state under its laws and rules. The practice of occupational therapy occurs in the member state where the patient or client is located at the time of the patient or client encounter.

(E) "Continuing competence" or "continuing education" means a requirement, as a condition of license renewal, to provide evidence of participation in, and completion of, educational and professional activities relevant to practice or area of work.

(F) "Current significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the occupational therapist or occupational therapy assistant to respond, if required by state law, has reason to believe is not groundless and, if proven true, would indicate more than a minor infraction.

(G) "Data system" means a repository of information about licensees, including but not limited to license status, investigative information, compact privileges, and adverse actions.

(H) "Encumbered license" means a license in which an adverse action restricts the practice of occupational therapy by the licensee or said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(I) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(J) "Home state" means the member state that is the licensee's primary state of residence.

(K) "Impaired practitioner" means an individual whose professional practice is adversely affected by substance abuse, addiction, or other health-related conditions.

(L) "Investigative information" means information, records, or documents received or generated by an occupational therapy licensing board pursuant to an investigation.

(M) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of occupational therapy in a state.

(N) "Licensee" means an individual who currently holds an authorization from the state to practice as an occupational therapist or as an occupational therapy assistant.

(O) "Member state" means a state that has enacted the compact.

(P) "Occupational therapist" means an individual who is licensed by a state to practice occupational therapy.

(Q) "Occupational therapy assistant" means an individual who is licensed by a state to assist in the practice of occupational therapy.

(R) "Occupational therapy," "occupational therapy practice," and "the practice of occupational therapy" mean the care and services provided by an occupational therapist or an occupational therapy assistant as set forth in the member state's statutes and regulations.

(S) "Occupational therapy compact commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(T) "Occupational therapy licensing board" or "licensing board" means the agency of a state that is authorized to license and regulate occupational therapists and occupational therapy assistants.

(U) "Primary state of residence" means the state, also known as the home state, in which an occupational therapist or occupational therapy assistant who is not active duty military declares a primary residence for legal purposes as verified by driver's license, federal income tax return, lease, deed, mortgage, or voter registration or other verifying documentation as further defined by commission rules.

(V) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(W) "Rule" means a regulation promulgated by the commission that has the force of law.

(X) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of occupational therapy.

(Y) "Single-state license" means an occupational therapist or occupational therapy assistant license issued by a member state that authorizes practice only within the issuing state and does not include a compact privilege in any other member state.

(Z) "Telehealth" means the application of telecommunication technology to deliver occupational therapy services for assessment, intervention, or consultation.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(A) To participate in the compact, a member state shall:

(1) license occupational therapists and occupational therapy assistants;

(2) participate fully in the commission's data system, including but not limited to using the commission's unique identifier as defined in rules of the commission;

(3) have a mechanism in place for receiving and investigating complaints about licensees;

(4) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(5) implement or utilize procedures for considering the criminal history records of applicants for an initial compact privilege. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(i) A member state shall, within a time frame established by the commission, require a criminal background check for a licensee seeking or applying for a compact privilege whose primary state of residence is that member state by receiving the results of the Federal Bureau of Investigation criminal record search, and shall use the results in making licensure decisions.

(ii) Communication between a member state, the commission, and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544;

(6) comply with the rules of the commission;

(7) utilize only a recognized national examination as a requirement for licensure pursuant to the rules of the commission; and

(8) have continuing competence or education requirements as a condition for license renewal.

(B) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules.

(C) Member states may charge a fee for granting a compact privilege.

(D) A member state shall provide for the state's delegate to attend all occupational therapy compact commission meetings.

(E) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting the compact privilege in any other member state.

(F) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

ARTICLE IV

COMPACT PRIVILEGE

(A) To exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have a valid United States Social Security number or national practitioner identification number;

(3) have no encumbrance on any state license;

(4) be eligible for a compact privilege in any member state in accordance with Article IV, (D), (F), (G), and (H);

(5) have paid all fines and completed all requirements resulting from any adverse action against any license or compact privilege, and two years have elapsed from the date of such completion;

(6) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(7) pay any applicable fees, including any state fee, for the compact privilege;

(8) complete a criminal background check in accordance with Article III, (A)(5). The licensee shall be responsible for the payment of any fee associated with the completion of a criminal background check;

(9) meet any jurisprudence requirements established by the remote state or states in which the licensee is seeking a compact privilege; and

(10) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(B) The compact privilege is valid until the expiration date of the home state license. The licensee must comply with the requirements of Article IV, (A), to maintain the compact privilege in the remote state.

(C) A licensee providing occupational therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(D) Occupational therapy assistants practicing in a remote state shall be supervised by an occupational therapist licensed or holding a compact privilege in that remote state.

(E) A licensee providing occupational therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee may be ineligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(F) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date on which the home state license is no longer encumbered in accordance with Article IV, (F)(1).

(G) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Article IV, (A), to obtain a compact privilege in any remote state.

(H) If a licensee's compact privilege in any remote state is removed, the individual may lose the compact privilege in any other remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended;

(2) all fines have been paid and all conditions have been met;

(3) two years have elapsed from the date of completing requirements for Article IV, (H)(1) and (2); and

(4) the compact privileges are reinstated by the commission and the compact data system is updated to reflect reinstatement.

(I) If a licensee's compact privilege in any remote state is removed due to an erroneous charge, privileges shall be restored through the compact data system.

(J) Once the requirements of Article IV, (H), have been met, the licensee must meet the requirements in Article IV, (A), to obtain a compact privilege in a remote state.

ARTICLE VOBTAINING A NEW HOME STATE LICENSE BY VIRTUE OF COMPACT PRIVILEGE

(A) An occupational therapist or occupational therapy assistant may hold a home state license, which allows for compact privileges in member states, in only one member state at a time.

(B) If an occupational therapist or occupational therapy assistant changes their primary state of residence by moving between two member states:

(1) the occupational therapist or occupational therapy assistant shall file an application for obtaining a new home state license by virtue of a compact privilege, pay all applicable fees, and notify the current and new home state in accordance with applicable rules adopted by the commission;

(2) upon receipt of an application for obtaining a new home state license by virtue of compact privilege, the new home state shall verify that the occupational therapist or occupational therapy assistant meets the pertinent criteria outlined in Article IV via the data system, without need for primary source verification except for:

(i) an FBI fingerprint-based criminal background check if not previously performed or updated pursuant to applicable rules adopted by the commission in accordance with Public Law 92-544;

(ii) other criminal background checks as required by the new home state; and

(iii) submission of any requisite jurisprudence requirements of the new home state;

(3) the former home state shall convert the former home state license into a compact privilege once the new home state has activated the new home state license in accordance with applicable rules adopted by the commission;

(4) notwithstanding any other provision of this compact, if the occupational therapist or occupational therapy assistant cannot meet the criteria in Article IV, the new home state shall apply its requirements for issuing a new single-state license; and

(5) the occupational therapist or the occupational therapy assistant shall pay all applicable fees to the new home state in order to be issued a new home state license.

(C) If an occupational therapist or occupational therapy assistant changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, the state criteria shall apply for issuance of a single-state license in the new state.

(D) Nothing in this compact shall interfere with a licensee's ability to hold a single-state license in multiple states; however, for the purposes of this compact, a licensee shall have only one home state license.

(E) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

ARTICLE VIACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouses, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state or through the process described in Article V.

ARTICLE VIIADVERSE ACTIONS

(A) A home state shall have exclusive power to impose adverse action against an occupational therapist's or occupational therapy assistant's license issued by the home state.

(B) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against an occupational therapist's or occupational therapy assistant's compact privilege within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before that court. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(C) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(D) The home state shall complete any pending investigations of an occupational therapist or occupational therapy assistant who changes their primary state of residence during the course of the investigations. The home state, where the investigations were initiated, shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the compact commission data system. The occupational therapy compact commission data system administrator shall promptly notify the new home state of any adverse actions.

(E) A member state, if otherwise permitted by state law, may recover from the affected occupational therapist or occupational therapy assistant the costs of investigations and disposition of cases resulting from any adverse action taken against that occupational therapist or occupational therapy assistant.

(F) A member state may take adverse action based on the factual findings of the remote state, provided that the member state follows its own procedures for taking the adverse action.

(G) Joint Investigations:

(1) In addition to the authority granted to a member state by its respective state occupational therapy laws and regulations or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(H) If an adverse action is taken by the home state against an occupational therapist's or occupational therapy assistant's license, the occupational therapist's or occupational therapy assistant's compact privilege in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against an occupational therapist's or occupational therapy assistant's license shall include a statement that the occupational therapist's or occupational therapy assistant's compact privilege is deactivated in all member states during the pendency of the order.

(I) If a member state takes adverse action, the member state shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(J) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE VIII

ESTABLISHMENT OF THE OCCUPATIONAL THERAPY COMPACT COMMISSION

(A) The compact member states hereby create and establish a joint public agency known as the occupational therapy compact commission:

(1) The commission is an instrumentality of the compact states.

(2) Except as provided under paragraph (I), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

(B) Membership, Voting, and Meetings:

(1) Each member state shall have and be limited to one delegate selected by that member state's licensing board.

(2) The delegate shall be either:

(i) a current member of the licensing board who is an occupational therapist, occupational therapy assistant, or public member; or

(ii) an administrator of the licensing board.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring in the commission within 90 days.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission. A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(6) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(7) The commission shall establish by rule a term of office for delegates.

(C) The commission shall have the following powers and duties:

(1) establish a code of ethics for the commission;

(2) establish the fiscal year of the commission;

(3) establish bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(6) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(7) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state occupational therapy licensing board to sue or be sued under applicable law shall not be affected;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the

commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(11) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve, or use any property, real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(14) establish a budget and make expenditures;

(15) borrow money;

(16) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and other interested persons as may be designated in this compact and the bylaws;

(17) provide and receive information from, and cooperate with, law enforcement agencies;

(18) establish and elect an executive committee; and

(19) perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of occupational therapy licensure and practice.

(D) The Executive Committee:

(1) The executive committee shall have the power to act on behalf of the commission according to the terms of this compact.

(2) The executive committee shall be composed of nine members:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex-officio, nonvoting member from a recognized national occupational therapy professional association; and

(iii) one ex-officio, nonvoting member from a recognized national occupational therapy certification organization.

(3) The ex-officio members will be selected by their respective organizations.

(4) The commission may remove any member of the executive committee as provided in the bylaws.

(5) The executive committee shall meet at least annually.

(6) The executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) perform other duties as provided in rules or bylaws.

(E) Meetings of the Commission:

(1) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article X.

(2) The commission or the executive committee or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive committee or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute.

(3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(4) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(F) Financing of the Commission:

(1) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(3) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved by the commission each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

(4) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(G) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(H) Notwithstanding paragraph (G), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(I) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(J) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE IX

DATA SYSTEM

(A) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(B) A member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable, utilizing a unique identifier, as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

- (4) nonconfidential information related to alternative program participation;
 - (5) any denial of application for licensure and the reason or reasons for such denial;
 - (6) other information that may facilitate the administration of this compact, as determined by the rules of the commission; and
 - (7) current significant investigative information.
- (C) Current significant investigative information and other investigative information pertaining to a licensee in any member state will only be available to other member states.
- (D) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.
- (E) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.
- (F) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE X

RULEMAKING

- (A) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.
- (B) The commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of the compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force and effect.
- (C) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.
- (D) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.
- (E) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:
- (1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state occupational therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(F) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(G) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(H) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association or organization having at least 25 members.

(I) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) All persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings will be recorded. A copy of the recording will be made available on request.

(4) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(J) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(K) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(L) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(M) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided that the usual rulemaking procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

- (1) meet an imminent threat to public health, safety, or welfare;
- (2) prevent a loss of commission or member state funds;
- (3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or
- (4) protect public health and safety.

(N) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE XI

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Oversight:

(1) The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law.

(2) All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission.

(3) The commission shall be entitled to receive service of process in any such proceeding, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(B) Default, Technical Assistance, and Termination:

(1) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default.

(2) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(3) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(4) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(5) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(6) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(C) Dispute Resolution:

(1) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(D) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) By majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices

against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event that judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(3) The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XII

DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR OCCUPATIONAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(B) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(C) Any member state may withdraw from this compact by enacting a statute repealing the same:

(1) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's occupational therapy licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(D) Nothing contained in this compact shall be construed to invalidate or prevent any occupational therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(E) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XIII

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity

of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XIV

BINDING EFFECT OF COMPACT AND OTHER LAWS

(A) A licensee providing occupational therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(B) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(C) Any laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(D) Any lawful actions of the commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(E) All agreements between the commission and the member states are binding in accordance with their terms.

(F) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

ARTICLE 16

PHYSICAL THERAPISTS

Section 1. [148.676] PHYSICAL THERAPY LICENSURE COMPACT.

The physical therapy licensure compact is enacted into law and entered into with all other jurisdictions legally joining in the compact in the form substantially specified in this section.

ARTICLE I

TITLE

This statute shall be known and cited as the physical therapy licensure compact.

ARTICLE II

DEFINITIONS

As used in this compact, and except as otherwise provided, the following terms have the meanings given them.

(a) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, chapters 1209 and 1211.

(b) "Adverse action" means disciplinary action taken by a physical therapy licensing board based upon misconduct, unacceptable performance, or a combination of both.

(c) "Alternative program" means a nondisciplinary monitoring or practice remediation process approved by a physical therapy licensing board. Alternative program includes but is not limited to substance abuse issues.

(d) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as a physical therapist or work as a physical therapist assistant in the remote state under its laws and rules. The practice of physical therapy occurs in the member state where the patient or client is located at the time of the patient or client encounter.

(e) "Continuing competence" means a requirement, as a condition of license renewal, to provide evidence of participation in, or completion of, educational and professional activities relevant to practice or area of work.

(f) "Data system" means a repository of information about licensees, including examination, licensure, investigative, compact privilege, and adverse action.

(g) "Encumbered license" means a license that a physical therapy licensing board has limited in any way.

(h) "Executive board" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(i) "Home state" means the member state that is the licensee's primary state of residence.

(j) "Investigative information" means information, records, and documents received or generated by a physical therapy licensing board pursuant to an investigation.

(k) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of physical therapy in a state.

(l) "Licensee" means an individual who currently holds an authorization from the state to practice as a physical therapist or to work as a physical therapist assistant.

(m) "Member state" means a state that has enacted the compact.

(n) "Party state" means any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.

(o) "Physical therapist" means an individual who is licensed by a state to practice physical therapy.

(p) "Physical therapist assistant" means an individual who is licensed or certified by a state and who assists the physical therapist in selected components of physical therapy.

(q) "Physical therapy," "physical therapy practice," or "the practice of physical therapy" means the care and services provided by or under the direction and supervision of a licensed physical therapist.

(r) "Physical Therapy Compact Commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(s) "Physical therapy licensing board" or "licensing board" means the agency of a state that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.

(t) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(u) "Rule" means a regulation, principle, or directive promulgated by the commission that has the force of law.

(v) "State" means any state, commonwealth, district, or territory of the United States that regulates the practice of physical therapy.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in the compact, a state must:

(1) participate fully in the commission's data system, including using the commission's unique identifier as defined in rules;

(2) have a mechanism in place for receiving and investigating complaints about licensees;

(3) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(4) fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions in accordance with paragraph (b);

(5) comply with the rules of the commission;

(6) utilize a recognized national examination as a requirement for licensure pursuant to the rules of the commission; and

(7) have continuing competence requirements as a condition for license renewal.

(b) Upon adoption of this compact, the member state shall have the authority to obtain biometric-based information from each physical therapy licensure applicant and submit this information to the Federal Bureau of Investigation for a criminal background check in accordance with United States Code, title 28, section 534, and United States Code, title 42, section 14616.

(c) A member state shall grant the compact privilege to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules.

(d) Member states may charge a fee for granting a compact privilege.

ARTICLE IV

COMPACT PRIVILEGE

(a) To exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have no encumbrance on any state license;

(3) be eligible for a compact privilege in any member state in accordance with paragraphs (d), (g), and (h);

(4) have not had any adverse action against any license or compact privilege within the previous two years;

(5) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(6) pay any applicable fees, including any state fee, for the compact privilege;

(7) meet any jurisprudence requirements established by the remote state or states in which the licensee is seeking a compact privilege; and

(8) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(b) The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of paragraph (a) to maintain the compact privilege in the remote state.

(c) A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(d) A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date of the adverse action.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of paragraph (a) to obtain a compact privilege in any remote state.

(g) If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended;

(2) all fines have been paid; and

(3) two years have elapsed from the date of the adverse action.

(h) Once the requirements of paragraph (g) have been met, the licensee must meet the requirements in paragraph (a) to obtain a compact privilege in a remote state.

ARTICLE V

ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

(1) home of record;

(2) permanent change of station (PCS) state; or

(3) state of current residence if different than the PCS state or home of record.

ARTICLE VI

ADVERSE ACTIONS

(a) A home state shall have exclusive power to impose adverse action against a license issued by the home state.

(b) A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

(c) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

(d) Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

(e) A remote state shall have the authority to:

(1) take adverse actions as set forth in article IV, paragraph (d), against a licensee's compact privilege in the state;

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and testimony of witnesses, or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence are located; and

(3) if otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(f) In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(g) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

ARTICLE VII

ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION

(a) The compact member states hereby create and establish a joint public agency known as the Physical Therapy Compact Commission:

(1) the commission is an instrumentality of the compact states;

(2) except as provided under paragraph (h), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each member state shall have and be limited to one delegate selected by that member state's licensing board;

(2) the delegate shall be a current member of the licensing board who is a physical therapist, physical therapist assistant, public member, or the board administrator;

(3) each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(4) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication;

(5) any delegate may be removed or suspended from office as provided by the laws of the state from which the delegate is appointed;

(6) the member state board shall fill any vacancy occurring in the commission;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws;

(8) all meetings shall be open to the public and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article IX;

(9) the commission or the executive board or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive board or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute;

(10) if a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision; and

(11) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(c) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) maintain its financial records in accordance with the bylaws;

(4) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(5) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(6) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected;

(7) purchase and maintain insurance and bonds;

(8) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(9) hire employees; elect or appoint officers; fix compensation; define duties; grant such individuals appropriate authority to carry out the purposes of the compact; and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(10) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and receive, utilize, and dispose of the same, provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(11) lease; purchase; accept appropriate gifts or donations of; or otherwise to own, hold, improve, or use any property, real, personal, or mixed, provided that at all times the commission shall avoid any appearance of impropriety;

(12) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(13) establish a budget and make expenditures;

(14) borrow money;

(15) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(16) provide and receive information from, and cooperate with, law enforcement agencies;

(17) establish and elect an executive board; and

(18) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of physical therapy licensure and practice.

(d) The executive board:

(1) the executive board shall have the power to act on behalf of the commission according to the terms of this compact;

(2) the executive board shall be composed of nine members as follows:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) one ex officio, nonvoting member from the recognized national physical therapy professional association; and

(iii) one ex officio, nonvoting member from the recognized membership organization of the physical therapy licensing boards;

(3) the ex officio members must be selected by their respective organizations;

(4) the commission may remove any member of the executive board as provided in the bylaws;

(5) the executive board shall meet at least annually; and

(6) the executive board shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(e) Financing of the commission:

(1) the commission shall pay, or provide for the payment of, the reasonable expenses of the commission's establishment, organization, and ongoing activities;

(2) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(3) the commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and the commission's staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states;

(4) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state; and

(5) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under the commission's bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

(f) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel, and provided further that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person; and

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(g) Notwithstanding paragraph (f), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(h) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(i) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE VIII

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure and the reason or reasons for the denial; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Investigative information pertaining to a licensee in any member state will only be available to other party states.

(d) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(e) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(f) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE IX

RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(b) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(c) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(d) Prior to promulgation and adoption of a final rule or rules by the commission and at least 30 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(e) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(f) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(g) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(h) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing:

(1) all persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings will be recorded. A copy of the recording will be made available on request; and

(4) nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(j) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(k) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(l) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law;

(2) all courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission; and

(3) the commission shall be entitled to receive service of process in any such proceeding and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states;

(4) a state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state; and

(6) the defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(c) Dispute resolution:

(1) upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XI

DATE OF IMPLEMENTATION OF THE INTERSTATE COMPACT FOR PHYSICAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENTS

(a) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules.

Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(b) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(c) Any member state may withdraw from this compact by enacting a statute repealing the same:

(1) a member state's withdrawal shall not take effect until six months after enactment of the repealing statute; and

(2) withdrawal shall not affect the continuing requirement of the withdrawing state's physical therapy licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(d) Nothing contained in this compact shall be construed to invalidate or prevent any physical therapy licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(e) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XII

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

EFFECTIVE DATE. This section is effective the day following final enactment. The Board of Physical Therapy must publish the effective date of the compact in the State Register and on the board's website.

ARTICLE 17

PROFESSIONAL COUNSELORS

Section 1. **[148B.75] LICENSED PROFESSIONAL COUNSELOR INTERSTATE COMPACT.**

The licensed professional counselor interstate compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially specified in this section.

ARTICLE I

TITLE

This statute shall be known and cited as the professional counselors licensure compact.

ARTICLE II

DEFINITIONS

(a) As used in this compact, and except as otherwise provided, the following definitions shall apply.

(b) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the national guard and reserve on active duty orders pursuant to United States Code, title 10, chapters 1209 and 1211.

(c) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against a licensed professional counselor, including actions against an individual's license or privilege to practice such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a licensed professional counselor's authorization to practice, including issuance of a cease and desist action.

(d) "Alternative program" means a non-disciplinary monitoring or practice remediation process approved by a professional counseling licensing board to address impaired practitioners.

(e) "Continuing competence" and "continuing education" means a requirement, as a condition of license renewal, to provide evidence of participation in, or completion of, educational and professional activities relevant to practice or area of work.

(f) "Counseling compact commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(g) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the licensed professional counselor to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the licensed professional counselor represents an immediate threat to public health and safety regardless of whether the licensed professional counselor has been notified and had an opportunity to respond.

(h) "Data system" means a repository of information about licensees, including but not limited to continuing education, examination, licensure, investigative, privilege to practice, and adverse action information.

(i) "Encumbered license" means a license in which an adverse action restricts the practice of licensed professional counseling by the licensee and said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(j) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of licensed professional counseling by a licensing board.

(k) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(l) "Home state" means the member state that is the licensee's primary state of residence.

(m) "Impaired practitioner" means an individual who has a condition that may impair their ability to practice as a licensed professional counselor without some type of intervention and may include but is not limited to alcohol and drug dependence, mental health impairment, and neurological or physical impairment.

(n) "Investigative information" means information, records, and documents received or generated by a professional counseling licensing board pursuant to an investigation.

(o) "Jurisprudence requirement," if required by a member state, means the assessment of an individual's knowledge of the laws and rules governing the practice of professional counseling in a state.

(p) "Licensed professional counselor" means a counselor licensed by a member state, regardless of the title used by that state, to independently assess, diagnose, and treat behavioral health conditions.

(q) "Licensee" means an individual who currently holds an authorization from the state to practice as a licensed professional counselor.

(r) "Licensing board" means the agency of a state, or equivalent, that is responsible for the licensing and regulation of licensed professional counselors.

(s) "Member state" means a state that has enacted the compact.

(t) "Privilege to practice" means a legal authorization, which is equivalent to a license, permitting the practice of professional counseling in a remote state.

(u) "Professional counseling" means the assessment, diagnosis, and treatment of behavioral health conditions by a licensed professional counselor.

(v) "Remote state" means a member state other than the home state, where a licensee is exercising or seeking to exercise the privilege to practice.

(w) "Rule" means a regulation promulgated by the commission that has the force of law.

(x) "Single state license" means a licensed professional counselor license issued by a member state that authorizes practice only within the issuing state and does not include a privilege to practice in any other member state.

(y) "State" means any state, commonwealth, district, or territory of the United States that regulates the practice of professional counseling.

(z) "Telehealth" means the application of telecommunication technology to deliver professional counseling services remotely to assess, diagnose, and treat behavioral health conditions.

(aa) "Unencumbered license" means a license that authorizes a licensed professional counselor to engage in the full and unrestricted practice of professional counseling.

ARTICLE III

STATE PARTICIPATION IN THE COMPACT

(a) To participate in the compact, a state must currently:

(1) license and regulate licensed professional counselors;

(2) require licensees to pass a nationally recognized exam approved by the commission;

(3) require licensees to have a 60 semester-hour or 90 quarter-hour master's degree in counseling or 60 semester-hours or 90 quarter-hours of graduate coursework including the following topic areas:

(i) professional counseling orientation and ethical practice;

(ii) social and cultural diversity;

(iii) human growth and development;

(iv) career development;

(v) counseling and helping relationships;

(vi) group counseling and group work;

(vii) diagnosis and treatment; assessment and testing;

(viii) research and program evaluation; and

(ix) other areas as determined by the commission;

(4) require licensees to complete a supervised postgraduate professional experience as defined by the commission; and

(5) have a mechanism in place for receiving and investigating complaints about licensees.

(b) A member state shall:

(1) participate fully in the commission's data system, including using the commission's unique identifier as defined in rules;

(2) notify the commission, in compliance with the terms of the compact and rules, of any adverse action or the availability of investigative information regarding a licensee;

(3) implement or utilize procedures for considering the criminal history records of applicants for an initial privilege to practice. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(i) a member state must fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search and shall use the results in making licensure decisions; and

(ii) communication between a member state, the commission, and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544;

(4) comply with the rules of the commission;

(5) require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws;

(6) grant the privilege to practice to a licensee holding a valid unencumbered license in another member state in accordance with the terms of the compact and rules; and

(7) provide for the attendance of the state's commissioner to the counseling compact commission meetings.

(c) Member states may charge a fee for granting the privilege to practice.

(d) Individuals not residing in a member state shall continue to be able to apply for a member state's single state license as provided under the laws of each member state. However, the single state license granted to these individuals shall not be recognized as granting a privilege to practice professional counseling in any other member state.

(e) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single state license.

(f) A license issued to a licensed professional counselor by a home state to a resident in that state shall be recognized by each member state as authorizing a licensed professional counselor to practice professional counseling, under a privilege to practice, in each member state.

ARTICLE IVPRIVILEGE TO PRACTICE

(a) To exercise the privilege to practice under the terms and provisions of the compact, the licensee shall:

(1) hold a license in the home state;

(2) have a valid United States Social Security number or national practitioner identifier;

(3) be eligible for a privilege to practice in any member state in accordance with this article, paragraphs (d), (g), and (h);

(4) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years;

(5) notify the commission that the licensee is seeking the privilege to practice within a remote state(s);

(6) pay any applicable fees, including any state fee, for the privilege to practice;

(7) meet any continuing competence or education requirements established by the home state;

(8) meet any jurisprudence requirements established by the remote state in which the licensee is seeking a privilege to practice; and

(9) report to the commission any adverse action, encumbrance, or restriction on license taken by any nonmember state within 30 days from the date the action is taken.

(b) The privilege to practice is valid until the expiration date of the home state license. The licensee must comply with the requirements of this article, paragraph (a), to maintain the privilege to practice in the remote state.

(c) A licensee providing professional counseling in a remote state under the privilege to practice shall adhere to the laws and regulations of the remote state.

(d) A licensee providing professional counseling services in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's privilege to practice in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens. The licensee may be ineligible for a privilege to practice in any member state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the privilege to practice in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of this article, paragraph (a), to obtain a privilege to practice in any remote state.

(g) If a licensee's privilege to practice in any remote state is removed, the individual may lose the privilege to practice in all other remote states until the following occur:

(1) the specific period of time for which the privilege to practice was removed has ended;

(2) all fines have been paid; and

(3) have not had any encumbrance or restriction against any license or privilege to practice within the previous two years.

(h) Once the requirements of this article, paragraph (g), have been met, the licensee must meet the requirements in this article, paragraph (a), to obtain a privilege to practice in a remote state.

ARTICLE V

OBTAINING A NEW HOME STATE LICENSE BASED ON A PRIVILEGE TO PRACTICE

(a) A licensed professional counselor may hold a home state license, which allows for a privilege to practice in other member states, in only one member state at a time.

(b) If a licensed professional counselor changes primary state of residence by moving between two member states:

(1) the licensed professional counselor shall file an application for obtaining a new home state license based on a privilege to practice, pay all applicable fees, and notify the current and new home state in accordance with applicable rules adopted by the commission;

(2) upon receipt of an application for obtaining a new home state license by virtue of a privilege to practice, the new home state shall verify that the licensed professional counselor meets the pertinent criteria outlined in article IV via the data system, without need for primary source verification, except for:

(i) a Federal Bureau of Investigation fingerprint-based criminal background check if not previously performed or updated pursuant to applicable rules adopted by the commission in accordance with Public Law 92-544;

(ii) other criminal background checks as required by the new home state; and

(iii) completion of any requisite jurisprudence requirements of the new home state;

(3) the former home state shall convert the former home state license into a privilege to practice once the new home state has activated the new home state license in accordance with applicable rules adopted by the commission;

(4) notwithstanding any other provision of this compact, if the licensed professional counselor cannot meet the criteria in article VI, the new home state may apply its requirements for issuing a new single state license; and

(5) the licensed professional counselor shall pay all applicable fees to the new home state in order to be issued a new home state license.

(c) If a licensed professional counselor changes primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, the state criteria shall apply for issuance of a single state license in the new state.

(d) Nothing in this compact shall interfere with a licensee's ability to hold a single state license in multiple states, however, for the purposes of this compact, a licensee shall have only one home state license.

(e) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single state license.

ARTICLE VI

ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouse, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state or through the process outlined in article V.

ARTICLE VII

COMPACT PRIVILEGE TO PRACTICE TELEHEALTH

(a) Member states shall recognize the right of a licensed professional counselor, licensed by a home state in accordance with article III and under rules promulgated by the commission, to practice professional counseling in any member state via telehealth under a privilege to practice as provided in the compact and rules promulgated by the commission.

(b) A licensee providing professional counseling services in a remote state under the privilege to practice shall adhere to the laws and regulations of the remote state.

ARTICLE VIII

ADVERSE ACTIONS

(a) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against a licensed professional counselor's privilege to practice within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(b) Only the home state shall have the power to take adverse action against a licensed professional counselor's license issued by the home state.

(c) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(d) The home state shall complete any pending investigations of a licensed professional counselor who changes primary state of residence during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any adverse actions.

(e) A member state, if otherwise permitted by state law, may recover from the affected licensed professional counselor the costs of investigations and dispositions of cases resulting from any adverse action taken against that licensed professional counselor.

(f) A member state may take adverse action based on the factual findings of the remote state, provided that the member state follows its own procedures for taking the adverse action.

(g) Joint investigations:

(1) in addition to the authority granted to a member state by its respective professional counseling practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees; and

(2) member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(h) If adverse action is taken by the home state against the license of a licensed professional counselor, the licensed professional counselor's privilege to practice in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against the license of a licensed professional counselor shall include a statement that the licensed professional counselor's privilege to practice is deactivated in all member states during the pendency of the order.

(i) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(j) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE IX

ESTABLISHMENT OF COUNSELING COMPACT COMMISSION

(a) The compact member states hereby create and establish a joint public agency known as the counseling compact commission:

(1) the commission is an instrumentality of the compact states;

(2) except as provided under paragraph (i), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each member state shall have and be limited to one delegate selected by that member state's licensing board;

(2) the delegate shall be either:

(i) a current member of the licensing board at the time of appointment who is a licensed professional counselor or public member; or

(ii) an administrator of the licensing board;

(3) any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed;

(4) the member state licensing board shall fill any vacancy occurring on the commission within 60 days;

(5) each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission;

(6) a delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication;

(7) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws; and

(8) the commission shall by rule establish a term of office for delegates and may by rule establish term limits.

(c) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) maintain its financial records in accordance with the bylaws;

(4) meet and take such actions as are consistent with the provisions of this compact and the bylaws;

(5) promulgate rules which shall be binding to the extent and in the manner provided for in the compact;

(6) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(7) purchase and maintain insurance and bonds;

(8) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(9) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(10) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety and conflict of interest;

(11) lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(12) sell convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(13) establish a budget and make expenditures;

(14) borrow money;

(15) appoint committees, including standing committees composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(16) provide and receive information from, and cooperate with, law enforcement agencies;

(17) establish and elect an executive committee; and

(18) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of professional counseling licensure and practice.

(d) The executive committee:

(1) the executive committee shall have the power to act on behalf of the commission according to the terms of this compact;

(2) the executive committee shall be composed of up to eleven members:

(i) seven voting members who are elected by the commission from the current membership of the commission;

(ii) up to four ex-officio, nonvoting members from four recognized national professional counselor organizations; and

(iii) the ex-officio members will be selected by their respective organizations;

(3) the commission may remove any member of the executive committee as provided in the bylaws;

(4) the executive committee shall meet at least annually; and

(5) the executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the privilege to practice;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(e) Meetings of the commission:

(1) all meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article XI;

(2) the commission or the executive committee or other committees of the commission may convene in a closed, non-public meeting if the commission or executive committee or other committees of the commission must discuss:

(i) non-compliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute;

(3) if a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision; and

(4) the commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(f) Financing of the commission:

(i) the commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities;

(ii) the commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services;

(iii) the commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall

be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states;

(iv) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state; and

(v) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(g) Qualified immunity, defense, and indemnification:

(1) the members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person;

(2) the commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct; and

(3) the commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(h) Notwithstanding paragraph (g), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(i) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws

of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(j) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE X

DATA SYSTEM

(a) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or privilege to practice;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure and the reason for such denial;

(6) current significant investigative information; and

(7) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(c) Investigative information pertaining to a licensee in any member state will only be available to other member states.

(d) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(e) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(f) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE XIRULEMAKING

(a) The commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purpose of the compact. Notwithstanding the foregoing, in the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force or effect.

(b) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(c) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(d) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(e) Prior to promulgation and adoption of a final rule or rules by the commission, and at least thirty days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state professional counseling licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(f) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(g) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(h) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(i) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing;

(1) all persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing;

(2) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing;

(3) all hearings will be recorded. A copy of the recording will be made available on request; and

(4) nothing in this article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this article.

(j) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(k) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(l) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(m) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

(n) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in

format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of thirty days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE XII

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) the executive, legislative, and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law;

(2) all courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the commission; and

(3) the commission shall be entitled to receive service of process in any such proceeding and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the member states, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(g) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees.

(h) Dispute resolution:

(1) upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states; and

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(i) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of such litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XIII

DATE OF IMPLEMENTATION OF THE COUNSELING COMPACT COMMISSION AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENT

(a) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(b) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state.

Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(c) Any member state may withdraw from this compact by enacting a statute repealing the same.

(1) a member state's withdrawal shall not take effect until six months after enactment of the repealing statute; and

(2) withdrawal shall not affect the continuing requirement of the withdrawing state's professional counseling licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(d) Nothing contained in this compact shall be construed to invalidate or prevent any professional counseling licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(e) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XIV

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XV

BINDING EFFECT OF COMPACT AND OTHER LAWS

(a) A licensee providing professional counseling services in a remote state under the privilege to practice shall adhere to the laws and regulations, including scope of practice, of the remote state.

(b) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(c) Any laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(d) Any lawful actions of the commission, including all rules and bylaws properly promulgated by the commission, are binding upon the member states.

(e) All permissible agreements between the commission and the member states are binding in accordance with their terms.

(f) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

ARTICLE 18

AUDIOLOGIST AND SPEECH-LANGUAGE PATHOLOGISTS

Section 1. [148.5185] AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY INTERSTATE COMPACT.

The Audiology and Speech-Language Pathology Interstate Compact is enacted into law and entered into with all other jurisdictions legally joining in it in the form substantially specified in this section.

ARTICLE I

DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall apply:

(A) "Active duty military" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211.

(B) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing board or other authority against an audiologist or speech-language pathologist, including actions against an individual's license or privilege to practice such as revocation, suspension, probation, monitoring of the licensee, or restriction on the licensee's practice.

(C) "Alternative program" means a non-disciplinary monitoring process approved by an audiology or speech-language pathology licensing board to address impaired practitioners.

(D) "Audiologist" means an individual who is licensed by a state to practice audiology.

(E) "Audiology" means the care and services provided by a licensed audiologist as set forth in the member state's statutes and rules.

(F) "Audiology and Speech-Language Pathology Compact Commission" or "commission" means the national administrative body whose membership consists of all states that have enacted the compact.

(G) "Audiology and speech-language pathology licensing board," "audiology licensing board," "speech-language pathology licensing board," or "licensing board" means the agency of a state that is responsible for the licensing and regulation of audiologists or speech-language pathologists or both.

(H) "Compact privilege" means the authorization granted by a remote state to allow a licensee from another member state to practice as an audiologist or speech-language pathologist in the remote state under its laws and rules. The practice of audiology or speech-language pathology occurs in the member state where the patient, client, or student is located at the time of the patient, client, or student encounter.

(I) "Current significant investigative information" means investigative information that a licensing board, after an inquiry or investigation that includes notification and an opportunity for the audiologist or speech-language pathologist to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction.

(J) "Data system" means a repository of information about licensees, including but not limited to continuing education, examination, licensure, investigation, compact privilege, and adverse action.

(K) "Encumbered license" means a license in which an adverse action restricts the practice of audiology or speech-language pathology by the licensee and said adverse action has been reported to the National Practitioners Data Bank (NPDB).

(L) "Executive committee" means a group of directors elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(M) "Home state" means the member state that is the licensee's primary state of residence.

(N) "Impaired practitioner" means individuals whose professional practice is adversely affected by substance abuse, addiction, or other health-related conditions.

(O) "Licensee" means an individual who currently holds an authorization from the state licensing board to practice as an audiologist or speech-language pathologist.

(P) "Member state" means a state that has enacted the compact.

(Q) "Privilege to practice" means a legal authorization permitting the practice of audiology or speech-language pathology in a remote state.

(R) "Remote state" means a member state other than the home state where a licensee is exercising or seeking to exercise the compact privilege.

(S) "Rule" means a regulation, principle, or directive promulgated by the commission that has the force of law.

(T) "Single-state license" means an audiology or speech-language pathology license issued by a member state that authorizes practice only within the issuing state and does not include a privilege to practice in any other member state.

(U) "Speech-language pathologist" means an individual who is licensed by a state to practice speech-language pathology.

(V) "Speech-language pathology" means the care and services provided by a licensed speech-language pathologist as set forth in the member state's statutes and rules.

(W) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of audiology and speech-language pathology.

(X) "State practice laws" means a member state's laws, rules, and regulations that govern the practice of audiology or speech-language pathology, define the scope of audiology or speech-language pathology practice, and create the methods and grounds for imposing discipline.

(Y) "Telehealth" means the application of telecommunication technology to deliver audiology or speech-language pathology services at a distance for assessment, intervention, or consultation.

ARTICLE II

STATE PARTICIPATION IN THE COMPACT

(A) A license issued to an audiologist or speech-language pathologist by a home state to a resident in that state shall be recognized by each member state as authorizing an audiologist or speech-language pathologist to practice audiology or speech-language pathology, under a privilege to practice, in each member state.

(B) A state must implement or utilize procedures for considering the criminal history records of applicants for initial privilege to practice. These procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(1) A member state must fully implement a criminal background check requirement, within a time frame established by rule, by receiving the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions.

(2) Communication between a member state and the commission and among member states regarding the verification of eligibility for licensure through the compact shall not include any information received from the Federal Bureau of Investigation relating to a federal criminal records check performed by a member state under Public Law 92-544.

(C) Upon application for a privilege to practice, the licensing board in the issuing remote state shall ascertain, through the data system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or privilege to practice held by the applicant, and whether any adverse action has been taken against any license or privilege to practice held by the applicant.

(D) Each member state shall require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws.

(E) An audiologist must:

(1) meet one of the following educational requirements:

(i) on or before December 31, 2007, have graduated with a master's degree or doctoral degree in audiology, or equivalent degree regardless of degree name, from a program that is accredited by

an accrediting agency recognized by the Council for Higher Education Accreditation, or its successor, or by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(ii) on or after January 1, 2008, have graduated with a doctoral degree in audiology, or equivalent degree regardless of degree name, from a program that is accredited by an accrediting agency recognized by the Council for Higher Education Accreditation, or its successor, or by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(iii) have graduated from an audiology program that is housed in an institution of higher education outside of the United States (a) for which the program and institution have been approved by the authorized accrediting body in the applicable country and (b) the degree program has been verified by an independent credentials review agency to be comparable to a state licensing board-approved program;

(2) have completed a supervised clinical practicum experience from an accredited educational institution or its cooperating programs as required by the board;

(3) have successfully passed a national examination approved by the commission;

(4) hold an active, unencumbered license;

(5) not have been convicted or found guilty, and not have entered into an agreed disposition, of a felony related to the practice of audiology, under applicable state or federal criminal law; and

(6) have a valid United States Social Security or National Practitioner Identification number.

(F) A speech-language pathologist must:

(1) meet one of the following educational requirements:

(i) have graduated with a master's degree from a speech-language pathology program that is accredited by an organization recognized by the United States Department of Education and operated by a college or university accredited by a regional or national accrediting organization recognized by the board; or

(ii) have graduated from a speech-language pathology program that is housed in an institution of higher education outside of the United States (a) for which the program and institution have been approved by the authorized accrediting body in the applicable country and (b) the degree program has been verified by an independent credentials review agency to be comparable to a state licensing board-approved program;

(2) have completed a supervised clinical practicum experience from an educational institution or its cooperating programs as required by the commission;

(3) have completed a supervised postgraduate professional experience as required by the commission;

(4) have successfully passed a national examination approved by the commission;

(5) hold an active, unencumbered license;

(6) not have been convicted or found guilty, and not have entered into an agreed disposition, of a felony related to the practice of speech-language pathology, under applicable state or federal criminal law; and

(7) have a valid United States Social Security or National Practitioner Identification number.

(G) The privilege to practice is derived from the home state license.

(H) An audiologist or speech-language pathologist practicing in a member state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of audiology and speech-language pathology shall include all audiology and speech-language pathology practice as defined by the state practice laws of the member state in which the client is located. The practice of audiology and speech-language pathology in a member state under a privilege to practice shall subject an audiologist or speech-language pathologist to the jurisdiction of the licensing board, the courts and the laws of the member state in which the client is located at the time service is provided.

(I) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting the privilege to practice audiology or speech-language pathology in any other member state. Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

(J) Member states may charge a fee for granting a compact privilege.

(K) Member states must comply with the bylaws and rules and regulations of the commission.

ARTICLE III

COMPACT PRIVILEGE

(A) To exercise the compact privilege under the terms and provisions of the compact, the audiologist or speech-language pathologist shall:

(1) hold an active license in the home state;

(2) have no encumbrance on any state license;

(3) be eligible for a compact privilege in any member state in accordance with Article II;

(4) have not had any adverse action against any license or compact privilege within the previous two years from date of application;

(5) notify the commission that the licensee is seeking the compact privilege within a remote state or states;

(6) pay any applicable fees, including any state fee, for the compact privilege; and

(7) report to the commission adverse action taken by any nonmember state within 30 days from the date the adverse action is taken.

(B) For the purposes of the compact privilege, an audiologist or speech-language pathologist shall only hold one home state license at a time.

(C) Except as provided in Article V, if an audiologist or speech-language pathologist changes primary state of residence by moving between two member states, the audiologist or speech-language pathologist must apply for licensure in the new home state, and the license issued by the prior home state shall be deactivated in accordance with applicable rules adopted by the commission.

(D) The audiologist or speech-language pathologist may apply for licensure in advance of a change in primary state of residence.

(E) A license shall not be issued by the new home state until the audiologist or speech-language pathologist provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a license from the new home state.

(F) If an audiologist or speech-language pathologist changes primary state of residence by moving from a member state to a nonmember state, the license issued by the prior home state shall convert to a single-state license, valid only in the former home state.

(G) The compact privilege is valid until the expiration date of the home state license. The licensee must comply with the requirements of Article III, (A), to maintain the compact privilege in the remote state.

(H) A licensee providing audiology or speech-language pathology services in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(I) A licensee providing audiology or speech-language pathology services in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, or take any other necessary actions to protect the health and safety of its citizens.

(J) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) the home state license is no longer encumbered; and

(2) two years have elapsed from the date of the adverse action.

(K) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Article III, (A), to obtain a compact privilege in any remote state.

(L) Once the requirements of Article III, (J), have been met, the licensee must meet the requirements in Article III, (A), to obtain a compact privilege in a remote state.

ARTICLE IVCOMPACT PRIVILEGE TO PRACTICE TELEHEALTH

Member states shall recognize the right of an audiologist or speech-language pathologist, licensed by a home state in accordance with Article II and under rules promulgated by the commission, to practice audiology or speech-language pathology in a member state via telehealth under a privilege to practice as provided in the compact and rules promulgated by the commission.

ARTICLE VACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

Active duty military personnel, or their spouse, shall designate a home state where the individual has a current license in good standing. The individual may retain the home state designation during the period the service member is on active duty. Subsequent to designating a home state, the individual shall only change their home state through application for licensure in the new state.

ARTICLE VIADVERSE ACTIONS

(A) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against an audiologist's or speech-language pathologist's privilege to practice within that member state; and

(2) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses or evidence are located.

(B) Only the home state shall have the power to take adverse action against an audiologist's or speech-language pathologist's license issued by the home state.

(C) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(D) The home state shall complete any pending investigations of an audiologist or speech-language pathologist who changes primary state of residence during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the data system shall promptly notify the new home state of any adverse actions.

(E) If otherwise permitted by state law, the member state may recover from the affected audiologist or speech-language pathologist the costs of investigations and disposition of cases resulting from any adverse action taken against that audiologist or speech-language pathologist.

(F) The member state may take adverse action based on the factual findings of the remote state, provided that the member state follows the member state's own procedures for taking the adverse action.

(G) Joint Investigations:

(1) In addition to the authority granted to a member state by its respective audiology or speech-language pathology practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

(H) If adverse action is taken by the home state against an audiologist's or speech-language pathologist's license, the audiologist's or speech-language pathologist's privilege to practice in all other member states shall be deactivated until all encumbrances have been removed from the state license. All home state disciplinary orders that impose adverse action against an audiologist's or speech-language pathologist's license shall include a statement that the audiologist's or speech-language pathologist's privilege to practice is deactivated in all member states during the pendency of the order.

(I) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state of any adverse actions by remote states.

(J) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

ARTICLE VII

ESTABLISHMENT OF THE AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY
COMPACT COMMISSION

(A) The compact member states hereby create and establish a joint public agency known as the Audiology and Speech-Language Pathology Compact Commission:

(1) The commission is an instrumentality of the compact states.

(2) Except as provided under paragraph (H), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this compact shall be construed to be a waiver of sovereign immunity.

(B) Membership, Voting, and Meetings:

(1) Each member state shall have two delegates selected by that member state's licensing board. The delegates shall be current members of the licensing board. One shall be an audiologist and one shall be a speech-language pathologist.

(2) An additional five delegates, who are either a public member or board administrator from a state licensing board, shall be chosen by the executive committee from a pool of nominees provided by the commission at large.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring on the commission, within 90 days.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission.

(6) A delegate shall vote in person or by other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(7) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(C) The commission shall have the following powers and duties:

(1) establish the fiscal year of the commission;

(2) establish bylaws;

(3) establish a code of ethics;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take actions as are consistent with the provisions of this compact and the bylaws;

(6) promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all member states;

(7) bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any state audiology or speech-language pathology licensing board to sue or be sued under applicable law shall not be affected;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) hire employees, elect or appoint officers, fix compensation, define duties, grant individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(11) accept any and all appropriate donations and grants of money, equipment, supplies, materials, and services and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(12) lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve, or use any property real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(13) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(14) establish a budget and make expenditures;

(15) borrow money;

(16) appoint committees, including standing committees composed of members and other interested persons as may be designated in this compact and the bylaws;

(17) provide and receive information from, and cooperate with, law enforcement agencies;

(18) establish and elect an executive committee; and

(19) perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of audiology and speech-language pathology licensure and practice.

(D) The Executive Committee:

The executive committee shall have the power to act on behalf of the commission according to the terms of this compact. The executive committee shall be composed of ten members:

(1) seven voting members who are elected by the commission from the current membership of the commission;

(2) two ex officios, consisting of one nonvoting member from a recognized national audiology professional association and one nonvoting member from a recognized national speech-language pathology association; and

(3) one ex officio, nonvoting member from the recognized membership organization of the audiology and speech-language pathology licensing boards.

(E) The ex officio members shall be selected by their respective organizations.

(1) The commission may remove any member of the executive committee as provided in bylaws.

(2) The executive committee shall meet at least annually.

(3) The executive committee shall have the following duties and responsibilities:

(i) recommend to the entire commission changes to the rules or bylaws, changes to this compact legislation, fees paid by compact member states such as annual dues, and any commission compact fee charged to licensees for the compact privilege;

(ii) ensure compact administration services are appropriately provided, contractual or otherwise;

(iii) prepare and recommend the budget;

(iv) maintain financial records on behalf of the commission;

(v) monitor compact compliance of member states and provide compliance reports to the commission;

(vi) establish additional committees as necessary; and

(vii) other duties as provided in rules or bylaws.

(4) All meetings of the commission shall be open to the public and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Article IX.

(5) The commission or the executive committee or other committees of the commission may convene in a closed, nonpublic meeting if the commission or executive committee or other committees of the commission must discuss:

(i) noncompliance of a member state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigative records compiled for law enforcement purposes;

(ix) disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact; or

(x) matters specifically exempted from disclosure by federal or member state statute.

(6) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(7) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(8) Financing of the Commission:

(i) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(ii) The commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(iii) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

(9) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(10) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(F) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(G) Notwithstanding paragraph (F), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(H) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(I) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE VIII

DATA SYSTEM

(A) The commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(B) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license or compact privilege;

(4) nonconfidential information related to alternative program participation;

(5) any denial of application for licensure, and the reason or reasons for denial; and

(6) other information that may facilitate the administration of this compact, as determined by the rules of the commission.

(C) Investigative information pertaining to a licensee in any member state shall only be available to other member states.

(D) The commission shall promptly notify all member states of any adverse action taken against a licensee or an individual applying for a license. Adverse action information pertaining to a licensee in any member state shall be available to any other member state.

(E) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(F) Any information submitted to the data system that is subsequently required to be expunged by the laws of the member state contributing the information shall be removed from the data system.

ARTICLE IX

RULEMAKING

(A) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(B) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, the rule shall have no further force and effect in any member state.

(C) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(D) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 30 days in advance of the meeting at which the rule shall be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform; and

(2) on the website of each member state audiology or speech-language pathology licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(E) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule shall be considered and voted upon;

(2) the text of the proposed rule or amendment and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(F) Prior to the adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(G) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) at least 25 persons;

(2) a state or federal governmental subdivision or agency; or

(3) an association having at least 25 members.

(H) If a hearing is held on the proposed rule or amendment, the commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the commission shall publish the mechanism for access to the electronic hearing.

(1) All persons wishing to be heard at the hearing shall notify the executive director of the commission or other designated member in writing of their desire to appear and testify at the hearing not less than five business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings shall be recorded. A copy of the recording shall be made available on request.

(4) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(I) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(J) If no written notice of intent to attend the public hearing by interested parties is received, the commission may proceed with promulgation of the proposed rule without a public hearing.

(K) The commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(L) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing; provided that the usual rulemaking procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the

rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

- (1) meet an imminent threat to public health, safety, or welfare;
- (2) prevent a loss of commission or member state funds; or
- (3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule.

(M) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the chair of the commission prior to the end of the notice period. If no challenge is made, the revision shall take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Dispute Resolution:

(1) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for such disputes as appropriate.

(B) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) By majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing member shall be awarded all costs of litigation, including reasonable attorney's fees.

(3) The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XIDATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION FOR AUDIOLOGY
AND SPEECH-LANGUAGE PATHOLOGY PRACTICE AND ASSOCIATED RULES,
WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. The provisions, which become effective at that time, shall be limited to the powers granted to the commission relating to assembly and the promulgation of rules. Thereafter, the commission shall meet and exercise rulemaking powers necessary to the implementation and administration of the compact.

(B) Any state that joins the compact subsequent to the commission's initial adoption of the rules shall be subject to the rules as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(C) Any member state may withdraw from this compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's audiology or speech-language pathology licensing board to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(D) Nothing contained in this compact shall be construed to invalidate or prevent any audiology or speech-language pathology licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(E) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XIICONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any member state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XIIIBINDING EFFECT OF COMPACT AND OTHER LAWS

(A) Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with the compact.

(B) All laws in a member state in conflict with the compact are superseded to the extent of the conflict.

(C) All lawful actions of the commission, including all rules and bylaws promulgated by the commission, are binding upon the member states.

(D) All agreements between the commission and the member states are binding in accordance with their terms.

(E) In the event any provision of the compact exceeds the constitutional limits imposed on the legislature of any member state, the provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Sec. 2. [148.5186] APPLICATION OF AUDIOLOGY AND SPEECH-LANGUAGE PATHOLOGY INTERSTATE COMPACT TO EXISTING LAWS.

Subdivision 1. **Rulemaking.** Rules developed by the Audiology and Speech-Language Pathology Compact Commission under section 148.5185 are not subject to sections 14.05 to 14.389.

Subd. 2. **Background studies.** The commissioner of health is authorized to require an audiologist or speech-language pathologist licensed in Minnesota as the home state to submit to a criminal history background check under section 144.0572.

ARTICLE 19**DENTIST AND DENTAL HYGIENISTS****Section 1. [150A.051] DENTIST AND DENTAL HYGIENIST COMPACT.**

The dentist and dental hygienist compact is enacted into law and entered into with all other jurisdictions legally joining in the compact in the form substantially specified in this section.

ARTICLE ITITLE

This statute shall be known and cited as the dentist and dental hygienist compact.

ARTICLE IIDEFINITIONS

As used in this compact, unless the context requires otherwise, the following definitions shall apply:

(A) "Active military member" means any person with full-time duty status in the armed forces of the United States including members of the National Guard and Reserve.

(B) "Adverse action" means disciplinary action or encumbrance imposed on a license or compact privilege by a state licensing authority.

(C) "Alternative program" means a nondisciplinary monitoring or practice remediation process applicable to a dentist or dental hygienist approved by a state licensing authority of a participating state in which the dentist or dental hygienist is licensed. This includes but is not limited to programs to which licensees with substance abuse or addiction issues are referred in lieu of adverse action.

(D) "Clinical assessment" means examination or process, required for licensure as a dentist or dental hygienist as applicable, that provides evidence of clinical competence in dentistry or dental hygiene.

(E) "Commissioner" means the individual appointed by a participating state to serve as the member of the commission for that participating state.

(F) "Compact" means this dentist and dental hygienist compact.

(G) "Compact privilege" means the authorization granted by a remote state to allow a licensee from a participating state to practice as a dentist or dental hygienist in a remote state.

(H) "Continuing professional development" means a requirement as a condition of license renewal to provide evidence of successful participation in educational or professional activities relevant to practice or area of work.

(I) "Criminal background check" means the submission of fingerprints or other biometric-based information for a license applicant for the purpose of obtaining that applicant's criminal history record information, as defined in Code of Federal Regulations, title 28, section 20.3(d), from the Federal Bureau of Investigation and the state's criminal history record repository as defined in Code of Federal Regulations, title 28, section 20.3(f).

(J) "Data system" means the commission's repository of information about licensees, including but not limited to examination, licensure, investigative, compact privilege, adverse action, and alternative program.

(K) "Dental hygienist" means an individual who is licensed by a state licensing authority to practice dental hygiene.

(L) "Dentist" means an individual who is licensed by a state licensing authority to practice dentistry.

(M) "Dentist and dental hygienist compact commission" or "commission" means a joint government agency established by this compact comprised of each state that has enacted the compact and a national administrative body comprised of a commissioner from each state that has enacted the compact.

(N) "Encumbered license" means a license that a state licensing authority has limited in any way other than through an alternative program.

(O) "Executive board" means the chair, vice chair, secretary, and treasurer and any other commissioners as may be determined by commission rule or bylaw.

(P) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of dentistry or dental hygiene, as applicable, in a state.

(Q) "License" means current authorization by a state, other than authorization pursuant to a compact privilege, or other privilege, for an individual to practice as a dentist or dental hygienist in that state.

(R) "Licensee" means an individual who holds an unrestricted license from a participating state to practice as a dentist or dental hygienist in that state.

(S) "Model compact" means the model for the dentist and dental hygienist compact on file with the council of state governments or other entity as designated by the commission.

(T) "Participating state" means a state that has enacted the compact and been admitted to the commission in accordance with the provisions herein and commission rules.

(U) "Qualifying license" means a license that is not an encumbered license issued by a participating state to practice dentistry or dental hygiene.

(V) "Remote state" means a participating state where a licensee who is not licensed as a dentist or dental hygienist is exercising or seeking to exercise the compact privilege.

(W) "Rule" means a regulation promulgated by an entity that has the force of law.

(X) "Scope of practice" means the procedures, actions, and processes a dentist or dental hygienist licensed in a state is permitted to undertake in that state and the circumstances under which the licensee is permitted to undertake those procedures, actions, and processes. Such procedures, actions, and processes and the circumstances under which they may be undertaken may be established through means, including but not limited to statute, regulations, case law, and other processes available to the state licensing authority or other government agency.

(Y) "Significant investigative information" means information, records, and documents received or generated by a state licensing authority pursuant to an investigation for which a determination has been made that there is probable cause to believe that the licensee has violated a statute or regulation that is considered more than a minor infraction for which the state licensing authority could pursue adverse action against the licensee.

(Z) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practices of dentistry and dental hygiene.

(AA) "State licensing authority" means an agency or other entity of a state that is responsible for the licensing and regulation of dentists or dental hygienists.

ARTICLE IIISTATE PARTICIPATION IN THE COMPACT

(A) In order to join the compact and thereafter continue as a participating state, a state must:

(1) enact a compact that is not materially different from the model compact as determined in accordance with commission rules;

(2) participate fully in the commission's data system;

(3) have a mechanism in place for receiving and investigating complaints about its licensees and license applicants;

(4) notify the commission, in compliance with the terms of the compact and commission rules, of any adverse action or the availability of significant investigative information regarding a licensee and license applicant;

(5) fully implement a criminal background check requirement, within a time frame established by commission rule, by receiving the results of a qualifying criminal background check;

(6) comply with the commission rules applicable to a participating state;

(7) accept the national board examinations of the joint commission on national dental examinations or another examination accepted by commission rule as a licensure examination;

(8) accept for licensure that applicants for a dentist license graduate from a predoctoral dental education program accredited by the Commission on Dental Accreditation, or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs, leading to the Doctor of Dental Surgery (D.D.S.) or Doctor of Dental Medicine (D.M.D.) degree;

(9) accept for licensure that applicants for a dental hygienist license graduate from a dental hygiene education program accredited by the Commission on Dental Accreditation or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs;

(10) require for licensure that applicants successfully complete a clinical assessment;

(11) have continuing professional development requirements as a condition for license renewal;
and

(12) pay a participation fee to the commission as established by commission rule.

(B) Providing alternative pathways for an individual to obtain an unrestricted license does not disqualify a state from participating in the compact.

(C) When conducting a criminal background check, the state licensing authority shall:

(1) consider that information in making a licensure decision;

(2) maintain documentation of completion of the criminal background check and background check information to the extent allowed by state and federal law; and

(3) report to the commission whether it has completed the criminal background check and whether the individual was granted or denied a license.

(D) A licensee of a participating state who has a qualifying license in that state and does not hold an encumbered license in any other participating state, shall be issued a compact privilege in a remote state in accordance with the terms of the compact and commission rules. If a remote state has a jurisprudence requirement a compact privilege will not be issued to the licensee unless the licensee has satisfied the jurisprudence requirement.

ARTICLE IV

COMPACT PRIVILEGE

(A) To obtain and exercise the compact privilege under the terms and provisions of the compact, the licensee shall:

(1) have a qualifying license as a dentist or dental hygienist in a participating state;

(2) be eligible for a compact privilege in any remote state in accordance with (D), (G), and (H) of this article;

(3) submit to an application process whenever the licensee is seeking a compact privilege;

(4) pay any applicable commission and remote state fees for a compact privilege in the remote state;

(5) meet any jurisprudence requirement established by a remote state in which the licensee is seeking a compact privilege;

(6) have passed a National Board Examination of the Joint Commission on National Dental Examinations or another examination accepted by commission rule;

(7) for a dentist, have graduated from a predoctoral dental education program accredited by the Commission on Dental Accreditation, or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs, leading to the Doctor of Dental Surgery (D.D.S.) or Doctor of Dental Medicine (D.M.D.) degree;

(8) for a dental hygienist, have graduated from a dental hygiene education program accredited by the Commission on Dental Accreditation or another accrediting agency recognized by the United States Department of Education for the accreditation of dentistry and dental hygiene education programs;

(9) have successfully completed a clinical assessment for licensure;

(10) report to the commission adverse action taken by any nonparticipating state when applying for a compact privilege and, otherwise, within 30 days from the date the adverse action is taken;

(11) report to the commission when applying for a compact privilege the address of the licensee's primary residence and thereafter immediately report to the commission any change in the address of the licensee's primary residence; and

(12) consent to accept service of process by mail at the licensee's primary residence on record with the commission with respect to any action brought against the licensee by the commission or a participating state, and consent to accept service of a subpoena by mail at the licensee's primary residence on record with the commission with respect to any action brought or investigation conducted by the commission or a participating state.

(B) The licensee must comply with the requirements of (A) of this article to maintain the compact privilege in the remote state. If those requirements are met, the compact privilege will continue as long as the licensee maintains a qualifying license in the state through which the licensee applied for the compact privilege and pays any applicable compact privilege renewal fees.

(C) A licensee providing dentistry or dental hygiene in a remote state under the compact privilege shall function within the scope of practice authorized by the remote state for a dentist or dental hygienist licensed in that state.

(D) A licensee providing dentistry or dental hygiene pursuant to a compact privilege in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, by adverse action revoke or remove a licensee's compact privilege in the remote state for a specific period of time and impose fines or take any other necessary actions to protect the health and safety of its citizens. If a remote state imposes an adverse action against a compact privilege that limits the compact privilege, that adverse action applies to all compact privileges in all remote states. A licensee whose compact privilege in a remote state is removed for a specified period of time is not eligible for a compact privilege in any other remote state until the specific time for removal of the compact privilege has passed and all encumbrance requirements are satisfied.

(E) If a license in a participating state is an encumbered license, the licensee shall lose the compact privilege in a remote state and shall not be eligible for a compact privilege in any remote state until the license is no longer encumbered.

(F) Once an encumbered license in a participating state is restored to good standing, the licensee must meet the requirements of (A) of this article to obtain a compact privilege in a remote state.

(G) If a licensee's compact privilege in a remote state is removed by the remote state, the individual shall lose or be ineligible for the compact privilege in any remote state until the following occur:

(1) the specific period of time for which the compact privilege was removed has ended; and

(2) all conditions for removal of the compact privilege have been satisfied.

(H) Once the requirements of (G) of this article have been met, the licensee must meet the requirements in (A) of this article to obtain a compact privilege in a remote state.

ARTICLE VACTIVE MILITARY MEMBER OR THEIR SPOUSES

An active military member and their spouse shall not be required to pay to the commission for a compact privilege the fee otherwise charged by the commission. If a remote state chooses to charge a fee for a compact privilege, it may choose to charge a reduced fee or no fee to an active military member and their spouse for a compact privilege.

ARTICLE VIADVERSE ACTIONS

(A) A participating state in which a licensee is licensed shall have exclusive authority to impose adverse action against the qualifying license issued by that participating state.

(B) A participating state may take adverse action based on the significant investigative information of a remote state, so long as the participating state follows its own procedures for imposing adverse action.

(C) Nothing in this compact shall override a participating state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain nonpublic if required by the participating state's laws. Participating states must require licensees who enter any alternative program in lieu of discipline to agree not to practice pursuant to a compact privilege in any other participating state during the term of the alternative program without prior authorization from such other participating state.

(D) Any participating state in which a licensee is applying to practice or is practicing pursuant to a compact privilege may investigate actual or alleged violations of the statutes and regulations authorizing the practice of dentistry or dental hygiene in any other participating state in which the dentist or dental hygienist holds a license or compact privilege.

(E) A remote state shall have the authority to:

(1) take adverse actions as set forth in article IV, (D), against a licensee's compact privilege in the state;

(2) in furtherance of its rights and responsibilities under the compact and the commission's rules issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a state licensing authority in a participating state for the attendance and testimony of witnesses, or the production of evidence from another participating state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence are located; and

(3) if otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(F) Joint Investigations:

(1) In addition to the authority granted to a participating state by its dentist or dental hygienist licensure act or other applicable state law, a participating state may jointly investigate licensees with other participating states.

(2) Participating states shall share any significant investigative information, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

(G) Authority to Continue Investigation:

(1) After a licensee's compact privilege in a remote state is terminated, the remote state may continue an investigation of the licensee that began when the licensee had a compact privilege in that remote state.

(2) If the investigation yields what would be significant investigative information had the licensee continued to have a compact privilege in that remote state, the remote state shall report the presence of such information to the data system as required by article VIII, (B), (6), as if it was significant investigative information.

ARTICLE VII

ESTABLISHMENT AND OPERATION OF THE COMMISSION

(A) The compact participating states hereby create and establish a joint government agency whose membership consists of all participating states that have enacted the compact. The commission is an instrumentality of the participating states acting jointly and not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in article XI, (A).

(B) Participation, Voting, and Meetings:

(1) Each participating state shall have and be limited to one commissioner selected by that participating state's state licensing authority or, if the state has more than one state licensing authority, selected collectively by the state licensing authorities.

(2) The commissioner shall be a member or designee of such authority or authorities.

(3) The commission may by rule or bylaw establish a term of office for commissioners and may by rule or bylaw establish term limits.

(4) The commission may recommend to a state licensing authority or authorities, as applicable, removal or suspension of an individual as the state's commissioner.

(5) A participating state's state licensing authority or authorities, as applicable, shall fill any vacancy of its commissioner on the commission within 60 days of the vacancy.

(6) Each commissioner shall be entitled to one vote on all matters that are voted upon by the commission.

(7) The commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The commission may meet by telecommunication, video conference, or other similar electronic means.

(C) The commission shall have the following powers:

(1) establish the fiscal year of the commission;

(2) establish a code of conduct and conflict of interest policies;

(3) adopt rules and bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this compact, the commission's rules, and the bylaws;

(6) initiate and conclude legal proceedings or actions in the name of the commission, provided that the standing of any state licensing authority to sue or be sued under applicable law shall not be affected;

(7) maintain and certify records and information provided to a participating state as the authenticated business records of the commission, and designate a person to do so on the commission's behalf;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a participating state;

(10) conduct an annual financial review;

(11) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) as set forth in the commission rules, charge a fee to a licensee for the grant of a compact privilege in a remote state and thereafter, as may be established by commission rule, charge the licensee a compact privilege renewal fee for each renewal period in which that licensee exercises or intends to exercise the compact privilege in that remote state. Nothing herein shall be construed to prevent a remote state from charging a licensee a fee for a compact privilege or renewals of a compact privilege, or a fee for the jurisprudence requirement if the remote state imposes such a requirement for the grant of a compact privilege;

(13) accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety and conflict of interest;

(14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or mixed, or any undivided interest therein;

(15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(16) establish a budget and make expenditures;

(17) borrow money;

(18) appoint committees, including standing committees, which may be composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(19) provide and receive information from, and cooperate with, law enforcement agencies;

(20) elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(21) establish and elect an executive board;

(22) adopt and provide to the participating states an annual report;

(23) determine whether a state's enacted compact is materially different from the model compact language such that the state would not qualify for participation in the compact; and

(24) perform such other functions as may be necessary or appropriate to achieve the purposes of this compact.

(D) Meetings of the Commission:

(1) All meetings of the commission that are not closed pursuant to (D)(4) of this article shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting.

(2) Notwithstanding (D)(1) of this article, the commission may convene an emergency public meeting by providing at least 24 hours prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rulemaking under article IX, (L). The commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.

(3) Notice of all commission meetings shall provide the time, date, and location of the meeting, and if the meeting is to be held or accessible via telecommunication, video conference, or other electronic means, the notice shall include the mechanism for access to the meeting through such means.

(4) The commission may convene in a closed, nonpublic meeting for the commission to receive legal advice or to discuss:

(i) noncompliance of a participating state with its obligations under the compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current or threatened discipline of a licensee or compact privilege holder by the commission or by a participating state's licensing authority;

(iv) current, threatened, or reasonably anticipated litigation;

(v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) accusing any person of a crime or formally censuring any person;

(vii) trade secrets or commercial or financial information that is privileged or confidential;

(viii) information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) investigative records compiled for law enforcement purposes;

(x) information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact;

(xi) legal advice;

(xii) matters specifically exempted from disclosure to the public by federal or participating state law; and

(xiii) other matters as promulgated by the commission by rule.

(5) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(6) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the commission or order of a court of competent jurisdiction.

(E) Financing of the Commission:

(1) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The commission may accept any and all appropriate sources of revenue, donations, and grants of money, equipment, supplies, materials, and services.

(3) The commission may levy on and collect an annual assessment from each participating state and impose fees on licensees of participating states when a compact privilege is granted to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each fiscal year for which sufficient revenue is not provided by other sources. The aggregate annual assessment amount for participating states shall be allocated based upon a formula that the commission shall promulgate by rule.

(4) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any participating state, except by and with the authority of the participating state.

(5) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under the commission's bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(F) The Executive Board:

(1) The executive board shall have the power to act on behalf of the commission according to the terms of this compact. The powers, duties, and responsibilities of the executive board shall include:

(i) overseeing the day-to-day activities of the administration of the compact including compliance with the provisions of the compact and the commission's rules and bylaws;

(ii) recommending to the commission changes to the rules or bylaws, changes to this compact legislation, fees charged to compact participating states, fees charged to licensees, and other fees;

(iii) ensuring compact administration services are appropriately provided, including by contract;

(iv) preparing and recommending the budget;

(v) maintaining financial records on behalf of the commission;

(vi) monitoring compact compliance of participating states and providing compliance reports to the commission;

(vii) establishing additional committees as necessary;

(viii) exercising the powers and duties of the commission during the interim between commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the commission by rule or bylaw; and

(ix) other duties as provided in the rules or bylaws of the commission.

(2) The executive board shall be composed of up to seven members:

(i) the chair, vice chair, secretary, and treasurer of the commission and any other members of the commission who serve on the executive board shall be voting members of the executive board; and

(ii) other than the chair, vice chair, secretary, and treasurer, the commission may elect up to three voting members from the current membership of the commission.

(3) The commission may remove any member of the executive board as provided in the commission's bylaws.

(4) The executive board shall meet at least annually.

(i) An executive board meeting at which it takes or intends to take formal action on a matter shall be open to the public, except that the executive board may meet in a closed, nonpublic session of a public meeting when dealing with any of the matters covered under (D)(4) of this article.

(ii) The executive board shall give five business days' notice of its public meetings, posted on its website and as it may otherwise determine to provide notice to persons with an interest in the public matters the executive board intends to address at those meetings.

(5) The executive board may hold an emergency meeting when acting for the commission to:

(i) meet an imminent threat to public health, safety, or welfare;

(ii) prevent a loss of commission or participating state funds; or

(iii) protect public health and safety.

(G) Qualified Immunity, Defense, and Indemnification:

(1) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or as determined by the commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) Notwithstanding (G)(1) of this article, should any member, officer, executive director, employee, or representative of the commission be held liable for the amount of any settlement or judgment arising out of any actual or alleged act, error, or omission that occurred within the scope of that individual's employment, duties, or responsibilities for the commission, or that the person to whom that individual is liable had a reasonable basis for believing occurred within the scope of the individual's employment, duties, or responsibilities for the commission, the commission shall indemnify and hold harmless such individual; provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of the individual.

(4) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(5) Nothing in this compact shall be interpreted to waive or otherwise abrogate a participating state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation.

(6) Nothing in this compact shall be construed to be a waiver of sovereign immunity by the participating states or by the commission.

(H) Notwithstanding paragraph (G), clause (1), of this article, the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(I) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

(J) Nothing in this compact shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

ARTICLE VIII

DATA SYSTEM

(A) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system containing licensure, adverse action, and the presence of significant investigative information on all licensees and applicants for a license in participating states.

(B) Notwithstanding any other provision of state law to the contrary, a participating state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a licensee, license applicant, or compact privilege and information related thereto;

(4) nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation;

(5) any denial of an application for licensure, and the reasons for such denial, excluding the reporting of any criminal history record information where prohibited by law;

(6) the presence of significant investigative information; and

(7) other information that may facilitate the administration of this compact or the protection of the public, as determined by the rules of the commission.

(C) The records and information provided to a participating state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a participating state.

(D) Significant investigative information pertaining to a licensee in any participating state will only be available to other participating states.

(E) It is the responsibility of the participating states to monitor the database to determine whether adverse action has been taken against a licensee or license applicant. Adverse action information pertaining to a licensee or license applicant in any participating state will be available to any other participating state.

(F) Participating states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(G) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the participating state contributing the information shall be removed from the data system.

ARTICLE IX

RULEMAKING

(A) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of the compact. A commission rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the compact, or the powers granted hereunder, or based upon another applicable standard of review.

(B) The rules of the commission shall have the force of law in each participating state, provided that where the rules of the commission conflict with the laws of the participating state that establish the participating state's scope of practice as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(C) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules shall become binding as of the date specified by the commission for each rule.

(D) If a majority of the legislatures of the participating states rejects a commission rule or portion of a commission rule, by enactment of a statute or resolution in the same manner used to adopt the compact, within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any participating state or to any state applying to participate in the compact.

(E) Rules shall be adopted at a regular or special meeting of the commission.

(F) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(G) Prior to adoption of a proposed rule by the commission, and at least 30 days in advance of the meeting at which the commission will hold a public hearing on the proposed rule, the commission shall provide a notice of proposed rulemaking:

(1) on the website of the commission or other publicly accessible platform;

(2) to persons who have requested notice of the commission's notices of proposed rulemaking;
and

(3) in such other ways as the commission may by rule specify.

(H) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing at which the commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the commission will consider and vote on the proposed rule;

(2) if the hearing is held via telecommunication, video conference, or other electronic means, the commission shall include the mechanism for access to the hearing in the notice of proposed rulemaking;

(3) the text of the proposed rule and the reason therefor;

(4) a request for comments on the proposed rule from any interested person; and

(5) the manner in which interested persons may submit written comments.

(I) All hearings will be recorded. A copy of the recording and all written comments and documents received by the commission in response to the proposed rule shall be available to the public.

(J) Nothing in this article shall be construed as requiring a separate hearing on each commission rule. Rules may be grouped for the convenience of the commission at hearings required by this article.

(K) The commission shall, by majority vote of all commissioners, take final action on the proposed rule based on the rulemaking record.

(1) The commission may adopt changes to the proposed rule provided the changes do not enlarge the original purpose of the proposed rule.

(2) The commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(3) The commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in (L) of this article, the effective date of the rule shall be no sooner than 30 days after the commission issuing the notice that it adopted or amended the rule.

(L) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with 24 hours' notice, with opportunity to comment, provided that the usual rulemaking procedures provided in the compact and in this article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or participating state funds;

(3) meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(4) protect public health and safety.

(M) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(N) No participating state's rulemaking requirements shall apply under this compact.

ARTICLE X

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(A) Oversight:

(1) The executive and judicial branches of state government in each participating state shall enforce this compact and take all actions necessary and appropriate to implement the compact.

(2) Except as provided under article VII, paragraph (I), venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(3) The commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the compact or commission rule and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the commission, this compact, or the promulgated rules.

(B) Default, Technical Assistance, and Termination:

(1) If the commission determines that a participating state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the commission may take, and shall offer training and specific technical assistance regarding the default.

(2) The commission shall provide a copy of the notice of default to the other participating states.

(C) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the commissioners, and all rights, privileges, and benefits conferred on that state by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(D) Termination of participation in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority or authorities, as applicable, and each of the participating states' state licensing authority or authorities, as applicable.

(E) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(F) Upon the termination of a state's participation in this compact, that state shall immediately provide notice to all licensees of the state, including licensees of other participating states issued a compact privilege to practice within that state, of such termination. The terminated state shall continue to recognize all compact privileges then in effect in that state for a minimum of 180 days after the date of said notice of termination.

(G) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(H) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(I) Dispute Resolution:

(1) Upon request by a participating state, the commission shall attempt to resolve disputes related to the compact that arise among participating states and between participating states and nonparticipating states.

(2) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(J) Enforcement:

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and the commission's rules.

(2) By majority vote, the commission may initiate legal action against a participating state in default in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees. The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or the defaulting participating state's law.

(3) A participating state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(4) No individual or entity other than a participating state may enforce this compact against the commission.

ARTICLE XI

EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(A) The compact shall come into effect on the date on which the compact statute is enacted into law in the seventh participating state.

(1) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the states that enacted the compact prior to the commission convening ("charter participating states") to determine if the statute enacted by each such charter participating state is materially different than the model compact.

(i) A charter participating state whose enactment is found to be materially different from the model compact shall be entitled to the default process set forth in article X.

(ii) If any participating state is later found to be in default, or is terminated or withdraws from the compact, the commission shall remain in existence and the compact shall remain in effect even if the number of participating states should be less than seven.

(2) Participating states enacting the compact subsequent to the charter participating states shall be subject to the process set forth in article VII, (C)(23), to determine if their enactments are materially different from the model compact and whether they qualify for participation in the compact.

(3) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission.

(4) Any state that joins the compact subsequent to the commission's initial adoption of the rules and bylaws shall be subject to the commission's rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(B) Any participating state may withdraw from this compact by enacting a statute repealing that state's enactment of the compact.

(1) A participating state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's licensing authority or authorities to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(3) Upon the enactment of a statute withdrawing from this compact, the state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all compact privileges to practice within that state granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(C) Nothing contained in this compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a participating state and a nonparticipating state that does not conflict with the provisions of this compact.

(D) This compact may be amended by the participating states. No amendment to this compact shall become effective and binding upon any participating state until it is enacted into the laws of all participating states.

ARTICLE XIICONSTRUCTION AND SEVERABILITY

(A) This compact and the commission's rulemaking authority shall be liberally construed so as to effectuate the purposes and the implementation and administration of the compact. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rulemaking authority solely for those purposes.

(B) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the constitution of any participating state, a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any other government, agency, person, or circumstance shall not be affected thereby.

(C) Notwithstanding (B) of this article, the commission may deny a state's participation in the compact or, in accordance with the requirements of article X, (B), terminate a participating state's participation in the compact, if it determines that a constitutional requirement of a participating state is a material departure from the compact. Otherwise, if this compact shall be held to be contrary to the constitution of any participating state, the compact shall remain in full force and effect as to the remaining participating states and in full force and effect as to the participating state affected as to all severable matters.

ARTICLE XIIICONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

(A) Nothing herein shall prevent or inhibit the enforcement of any other law of a participating state that is not inconsistent with the compact.

(B) Any laws, statutes, regulations, or other legal requirements in a participating state in conflict with the compact are superseded to the extent of the conflict.

(C) All permissible agreements between the commission and the participating states are binding in accordance with their terms.

ARTICLE 20**SOCIAL WORKERS**

Section 1. **[148E.40] TITLE.**

Sections 148E.40 to 148E.55 shall be known and cited as the social work services licensure compact.

Sec. 2. **[148E.41] DEFINITIONS.**

As used in this Compact, and except as otherwise provided, the following definitions shall apply:

(1) "Active military member" means any individual with full-time duty status in the active armed forces of the United States, including members of the National Guard and Reserve.

(2) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws which is imposed by a licensing authority or other authority against a regulated social worker, including actions against an individual's license or multistate authorization to practice such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a regulated social worker's authorization to practice, including issuance of a cease and desist action.

(3) "Alternative program" means a nondisciplinary monitoring or practice remediation process approved by a licensing authority to address practitioners with an impairment.

(4) "Charter member states" means member states who have enacted legislation to adopt this Compact where such legislation predates the effective date of this Compact as described in section 148E.53.

(5) "Compact" means sections 148E.40 to 148E.55.

(6) "Compact Commission" or "Commission" means the government agency whose membership consists of all States that have enacted this Compact, which is known as the Social Work Licensure Compact Commission, as described in section 148E.49, and which shall operate as an instrumentality of the member states.

(7) "Current significant investigative information" means:

(i) investigative information that a licensing authority, after a preliminary inquiry that includes notification and an opportunity for the regulated social worker to respond, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction as may be defined by the Commission; or

(ii) investigative information that indicates that the regulated social worker represents an immediate threat to public health and safety, as may be defined by the Commission, regardless of whether the regulated social worker has been notified and has had an opportunity to respond.

(8) "Data system" means a repository of information about licensees, including continuing education, examinations, licensure, current significant investigative information, disqualifying events, multistate licenses, and adverse action information or other information as required by the Commission.

(9) "Disqualifying event" means any adverse action or incident which results in an encumbrance that disqualifies or makes the licensee ineligible to obtain, retain, or renew a multistate license.

(10) "Domicile" means the jurisdiction in which the licensee resides and intends to remain indefinitely.

(11) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of social work licensed and regulated by a licensing authority.

(12) "Executive Committee" means a group of delegates elected or appointed to act on behalf of, and within the powers granted to them by, the Compact and Commission.

(13) "Home state" means the member state that is the licensee's primary domicile.

(14) "Impairment" means a condition that may impair a practitioner's ability to engage in full and unrestricted practice as a regulated social worker without some type of intervention and may include alcohol and drug dependence, mental health impairment, and neurological or physical impairments.

(15) "Licensee" means an individual who currently holds a license from a state to practice as a regulated social worker.

(16) "Licensing authority" means the board or agency of a member state, or equivalent, that is responsible for the licensing and regulation of regulated social workers.

(17) "Member state" means a state, commonwealth, district, or territory of the United States of America that has enacted this Compact.

(18) "Multistate authorization to practice" means a legally authorized privilege to practice, which is equivalent to a license, associated with a multistate license permitting the practice of social work in a remote state.

(19) "Multistate license" means a license to practice as a regulated social worker issued by a home state licensing authority that authorizes the regulated social worker to practice in all member states under multistate authorization to practice.

(20) "Qualifying national exam" means a national licensing examination approved by the Commission.

(21) "Regulated social worker" means any clinical, master's, or bachelor's social worker licensed by a member state regardless of the title used by that member state.

(22) "Remote state" means a member state other than the licensee's home state.

(23) "Rule" or "rule of the Commission" means a regulation or regulations duly promulgated by the Commission, as authorized by the Compact, that has the force of law.

(24) "Single state license" means a social work license issued by any state that authorizes practice only within the issuing state and does not include multistate authorization to practice in any member state.

(25) "Social work" or "social work services" means the application of social work theory, knowledge, methods, ethics, and the professional use of self to restore or enhance social, psychosocial, or biopsychosocial functioning of individuals, couples, families, groups, organizations, and communities through the care and services provided by a regulated social worker as set forth in the member state's statutes and regulations in the state where the services are being provided.

(26) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of social work.

(27) "Unencumbered license" means a license that authorizes a regulated social worker to engage in the full and unrestricted practice of social work.

Sec. 3. [148E.42] STATE PARTICIPATION IN THE COMPACT.

(a) To be eligible to participate in the compact, a potential member state must currently meet all of the following criteria:

(1) license and regulate the practice of social work at either the clinical, master's, or bachelor's category;

(2) require applicants for licensure to graduate from a program that:

(i) is operated by a college or university recognized by the licensing authority;

(ii) is accredited, or in candidacy by an institution that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation, or its successor; or

(B) the United States Department of Education; and

(iii) corresponds to the licensure sought as outlined in section 148E.43;

(3) require applicants for clinical licensure to complete a period of supervised practice; and

(4) have a mechanism in place for receiving, investigating, and adjudicating complaints about licensees.

(b) To maintain membership in the Compact, a member state shall:

(1) require that applicants for a multistate license pass a qualifying national exam for the corresponding category of multistate license sought as outlined in section 148E.43;

(2) participate fully in the Commission's data system, including using the Commission's unique identifier as defined in rules;

(3) notify the Commission, in compliance with the terms of the Compact and rules, of any adverse action or the availability of current significant investigative information regarding a licensee;

(4) implement procedures for considering the criminal history records of applicants for a multistate license. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(5) comply with the rules of the Commission;

(6) require an applicant to obtain or retain a license in the home state and meet the home state's qualifications for licensure or renewal of licensure, as well as all other applicable home state laws;

(7) authorize a licensee holding a multistate license in any member state to practice in accordance with the terms of the Compact and rules of the Commission; and

(8) designate a delegate to participate in the Commission meetings.

(c) A member state meeting the requirements of paragraphs (a) and (b) shall designate the categories of social work licensure that are eligible for issuance of a multistate license for applicants in such member state. To the extent that any member state does not meet the requirements for participation in the Compact at any particular category of social work licensure, such member state may choose but is not obligated to issue a multistate license to applicants that otherwise meet the requirements of section 148E.43 for issuance of a multistate license in such category or categories of licensure.

(d) The home state may charge a fee for granting the multistate license.

Sec. 4. [148E.43] SOCIAL WORKER PARTICIPATION IN THE COMPACT.

(a) To be eligible for a multistate license under the terms and provisions of the Compact, an applicant, regardless of category, must:

(1) hold or be eligible for an active, unencumbered license in the home state;

(2) pay any applicable fees, including any state fee, for the multistate license;

(3) submit, in connection with an application for a multistate license, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(4) notify the home state of any adverse action, encumbrance, or restriction on any professional license taken by any member state or nonmember state within 30 days from the date the action is taken;

(5) meet any continuing competence requirements established by the home state; and

(6) abide by the laws, regulations, and applicable standards in the member state where the client is located at the time care is rendered.

(b) An applicant for a clinical-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a clinical-category qualifying national exam;

(ii) licensure of the applicant in their home state at the clinical category, beginning prior to such time as a qualifying national exam was required by the home state and accompanied by a period of continuous social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule;

(2) attain at least a master's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education; and

(3) fulfill a practice requirement, which shall be satisfied by demonstrating completion of:

(i) a period of postgraduate supervised clinical practice equal to a minimum of 3,000 hours;

(ii) a minimum of two years of full-time postgraduate supervised clinical practice; or

(iii) the substantial equivalency of the foregoing practice requirements which the Commission may determine by rule.

(c) An applicant for a master's-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a masters-category qualifying national exam;

(ii) licensure of the applicant in their home state at the master's category, beginning prior to such time as a qualifying national exam was required by the home state at the master's category and accompanied by a continuous period of social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule; and

(2) attain at least a master's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education.

(d) An applicant for a bachelor's-category multistate license must meet all of the following requirements:

(1) fulfill a competency requirement, which shall be satisfied by either:

(i) passage of a bachelor's-category qualifying national exam;

(ii) licensure of the applicant in their home state at the bachelor's category, beginning prior to such time as a qualifying national exam was required by the home state and accompanied by a period of continuous social work licensure thereafter, all of which may be further governed by the rules of the Commission; or

(iii) the substantial equivalency of the foregoing competency requirements which the Commission may determine by rule; and

(2) attain at least a bachelor's degree in social work from a program that is:

(i) operated by a college or university recognized by the licensing authority; and

(ii) accredited, or in candidacy that subsequently becomes accredited, by an accrediting agency recognized by either:

(A) the Council for Higher Education Accreditation or its successor; or

(B) the United States Department of Education.

(e) The multistate license for a regulated social worker is subject to the renewal requirements of the home state. The regulated social worker must maintain compliance with the requirements of paragraph (a) to be eligible to renew a multistate license.

(f) The regulated social worker's services in a remote state are subject to that member state's regulatory authority. A remote state may, in accordance with due process and that member state's laws, remove a regulated social worker's multistate authorization to practice in the remote state for a specific period of time, impose fines, and take any other necessary actions to protect the health and safety of its citizens.

(g) If a multistate license is encumbered, the regulated social worker's multistate authorization to practice shall be deactivated in all remote states until the multistate license is no longer encumbered.

(h) If a multistate authorization to practice is encumbered in a remote state, the regulated social worker's multistate authorization to practice may be deactivated in that state until the multistate authorization to practice is no longer encumbered.

Sec. 5. [148E.44] ISSUANCE OF A MULTISTATE LICENSE.

(a) Upon receipt of an application for multistate license, the home state licensing authority shall determine the applicant's eligibility for a multistate license in accordance with section 148E.43.

(b) If such applicant is eligible pursuant to section 148E.43, the home state licensing authority shall issue a multistate license that authorizes the applicant or regulated social worker to practice in all member states under a multistate authorization to practice.

(c) Upon issuance of a multistate license, the home state licensing authority shall designate whether the regulated social worker holds a multistate license in the bachelor's, master's, or clinical category of social work.

(d) A multistate license issued by a home state to a resident in that state shall be recognized by all Compact member states as authorizing social work practice under a multistate authorization to practice corresponding to each category of licensure regulated in each member state.

Sec. 6. [148E.45] AUTHORITY OF INTERSTATE COMPACT COMMISSION AND MEMBER STATE LICENSING AUTHORITIES.

(a) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to enact and enforce laws, regulations, or other rules related to the practice of social work in that state, where those laws, regulations, or other rules are not inconsistent with the provisions of this Compact.

(b) Nothing in this Compact shall affect the requirements established by a member state for the issuance of a single state license.

(c) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to take adverse action against a licensee's single state license to practice social work in that state.

(d) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a remote state to take adverse action against a licensee's multistate authorization to practice in that state.

(e) Nothing in this Compact, nor any rule of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a licensee's home state to take adverse action against a licensee's multistate license based upon information provided by a remote state.

Sec. 7. [148E.46] REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE.

(a) A licensee can hold a multistate license, issued by their home state, in only one member state at any given time.

(b) If a licensee changes their home state by moving between two member states:

(1) The licensee shall immediately apply for the reissuance of their multistate license in their new home state. The licensee shall pay all applicable fees and notify the prior home state in accordance with the rules of the Commission.

(2) Upon receipt of an application to reissue a multistate license, the new home state shall verify that the multistate license is active, unencumbered, and eligible for reissuance under the terms of the Compact and the rules of the Commission. The multistate license issued by the prior home state will be deactivated and all member states notified in accordance with the applicable rules adopted by the Commission.

(3) Prior to the reissuance of the multistate license, the new home state shall conduct procedures for considering the criminal history records of the licensee. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(4) If required for initial licensure, the new home state may require completion of jurisprudence requirements in the new home state.

(5) Notwithstanding any other provision of this Compact, if a licensee does not meet the requirements set forth in this Compact for the reissuance of a multistate license by the new home state, then the licensee shall be subject to the new home state requirements for the issuance of a single state license in that state.

(c) If a licensee changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, then the licensee shall be subject to the state requirements for the issuance of a single state license in the new home state.

(d) Nothing in this Compact shall interfere with a licensee's ability to hold a single state license in multiple states; however, for the purposes of this Compact, a licensee shall have only one home state, and only one multistate license.

(e) Nothing in this Compact shall interfere with the requirements established by a member state for the issuance of a single state license.

Sec. 8. **[148E.47] MILITARY FAMILIES.**

An active military member or their spouse shall designate a home state where the individual has a multistate license. The individual may retain their home state designation during the period the service member is on active duty.

Sec. 9. **[148E.48] ADVERSE ACTIONS.**

(a) In addition to the other powers conferred by state law, a remote state shall have the authority, in accordance with existing state due process law, to:

(1) take adverse action against a regulated social worker's multistate authorization to practice only within that member state, and issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing authority in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing licensing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located; and

(2) only the home state shall have the power to take adverse action against a regulated social worker's multistate license.

(b) For purposes of taking adverse action, the home state shall give the same priority and effect to reported conduct received from a member state as it would if the conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action.

(c) The home state shall complete any pending investigations of a regulated social worker who changes their home state during the course of the investigations. The home state shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the data system. The administrator of the data system shall promptly notify the new home state of any adverse actions.

(d) A member state, if otherwise permitted by state law, may recover from the affected regulated social worker the costs of investigations and dispositions of cases resulting from any adverse action taken against that regulated social worker.

(e) A member state may take adverse action based on the factual findings of another member state, provided that the member state follows its own procedures for taking the adverse action.

(f) Joint investigations:

(1) In addition to the authority granted to a member state by its respective social work practice act or other applicable state law, any member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

(g) If adverse action is taken by the home state against the multistate license of a regulated social worker, the regulated social worker's multistate authorization to practice in all other member states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against the license of a regulated social worker shall include a statement that the regulated social worker's multistate authorization to practice is deactivated in all member states until all conditions of the decision, order, or agreement are satisfied.

(h) If a member state takes adverse action, it shall promptly notify the administrator of the data system. The administrator of the data system shall promptly notify the home state and all other member states of any adverse actions by remote states.

(i) Nothing in this compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action.

(j) Nothing in this Compact shall authorize a member state to demand the issuance of subpoenas for attendance and testimony of witnesses or the production of evidence from another member state for lawful actions within that member state.

(k) Nothing in this Compact shall authorize a member state to impose discipline against a regulated social worker who holds a multistate authorization to practice for lawful actions within another member state.

Sec. 10. **[148E.49] ESTABLISHMENT OF SOCIAL WORK LICENSURE COMPACT COMMISSION.**

(a) The Compact member states hereby create and establish a joint government agency whose membership consists of all member states that have enacted the compact known as the Social Work Licensure Compact Commission. The Commission is an instrumentality of the Compact states acting jointly and not an instrumentality of any one state. The Commission shall come into existence on or after the effective date of the Compact as set forth in section 148E.53.

(b) Membership, voting, and meetings:

(1) Each member state shall have and be limited to one delegate selected by that member state's state licensing authority.

(2) The delegate shall be either:

(i) a current member of the state licensing authority at the time of appointment, who is a regulated social worker or public member of the state licensing authority; or

(ii) an administrator of the state licensing authority or their designee.

(3) The Commission shall by rule or bylaw establish a term of office for delegates and may by rule or bylaw establish term limits.

(4) The Commission may recommend removal or suspension of any delegate from office.

(5) A member state's state licensing authority shall fill any vacancy of its delegate occurring on the Commission within 60 days of the vacancy.

(6) Each delegate shall be entitled to one vote on all matters before the Commission requiring a vote by Commission delegates.

(7) A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates to meet by telecommunication, video conference, or other means of communication.

(8) The Commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The Commission may meet by telecommunication, video conference, or other similar electronic means.

(c) The Commission shall have the following powers:

(1) establish the fiscal year of the Commission;

(2) establish code of conduct and conflict of interest policies;

(3) establish and amend rules and bylaws;

(4) maintain its financial records in accordance with the bylaws;

(5) meet and take such actions as are consistent with the provisions of this Compact, the Commission's rules, and the bylaws;

(6) initiate and conclude legal proceedings or actions in the name of the Commission, provided that the standing of any state licensing board to sue or be sued under applicable law shall not be affected;

(7) maintain and certify records and information provided to a member state as the authenticated business records of the Commission, and designate an agent to do so on the Commission's behalf;

(8) purchase and maintain insurance and bonds;

(9) borrow, accept, or contract for services of personnel, including but not limited to employees of a member state;

(10) conduct an annual financial review;

(11) hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the Compact, and establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(12) assess and collect fees;

(13) accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same, provided that at all times the Commission shall avoid any appearance of impropriety or conflict of interest;

(14) lease, purchase, retain, own, hold, improve, or use any property real, personal, or mixed, or any undivided interest therein;

(15) sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;

(16) establish a budget and make expenditures;

(17) borrow money;

(18) appoint committees, including standing committees, composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this Compact and the bylaws;

(19) provide and receive information from, and cooperate with, law enforcement agencies;

(20) establish and elect an Executive Committee, including a chair and a vice chair;

(21) determine whether a state's adopted language is materially different from the model compact language such that the state would not qualify for participation in the Compact; and

(22) perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact.

(d) The Executive Committee:

(1) The Executive Committee shall have the power to act on behalf of the Commission according to the terms of this Compact. The powers, duties, and responsibilities of the Executive Committee shall include:

(i) oversee the day-to-day activities of the administration of the Compact, including enforcement and compliance with the provisions of the Compact, its rules and bylaws, and other such duties as deemed necessary;

(ii) recommend to the Commission changes to the rules or bylaws, changes to this Compact legislation, fees charged to Compact member states, fees charged to licensees, and other fees;

(iii) ensure Compact administration services are appropriately provided, including by contract;

(iv) prepare and recommend the budget;

(v) maintain financial records on behalf of the Commission;

(vi) monitor Compact compliance of member states and provide compliance reports to the Commission;

(vii) establish additional committees as necessary;

(viii) exercise the powers and duties of the Commission during the interim between Commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the Commission by rule or bylaw; and

(ix) other duties as provided in the rules or bylaws of the Commission.

(2) The Executive Committee shall be composed of up to 11 members:

(i) the chair and vice chair of the Commission shall be voting members of the Executive Committee;

(ii) the Commission shall elect five voting members from the current membership of the Commission;

(iii) up to four ex-officio, nonvoting members from four recognized national social work organizations; and

(iv) the ex-officio members will be selected by their respective organizations.

(3) The Commission may remove any member of the Executive Committee as provided in the Commission's bylaws.

(4) The Executive Committee shall meet at least annually.

(i) Executive Committee meetings shall be open to the public, except that the Executive Committee may meet in a closed, nonpublic meeting as provided in paragraph (f), clause (2).

(ii) The Executive Committee shall give seven days' notice of its meetings posted on its website and as determined to provide notice to persons with an interest in the business of the Commission.

(iii) The Executive Committee may hold a special meeting in accordance with paragraph (f), clause (1), item (ii).

(e) The Commission shall adopt and provide to the member states an annual report.

(f) Meetings of the Commission:

(1) All meetings shall be open to the public, except that the Commission may meet in a closed, nonpublic meeting as provided in paragraph (f), clause (2).

(i) Public notice for all meetings of the full Commission of meetings shall be given in the same manner as required under the rulemaking provisions in section 148E.51, except that the Commission may hold a special meeting as provided in paragraph (f), clause (1), item (ii).

(ii) The Commission may hold a special meeting when it must meet to conduct emergency business by giving 48 hours' notice to all commissioners on the Commission's website and other means as provided in the Commission's rules. The Commission's legal counsel shall certify that the Commission's need to meet qualifies as an emergency.

(2) The Commission or the Executive Committee or other committees of the Commission may convene in a closed, nonpublic meeting for the Commission or Executive Committee or other committees of the Commission to receive legal advice or to discuss:

(i) noncompliance of a member state with its obligations under the Compact;

(ii) the employment, compensation, discipline, or other matters, practices, or procedures related to specific employees;

(iii) current or threatened discipline of a licensee by the Commission or by a member state's licensing authority;

(iv) current, threatened, or reasonably anticipated litigation;

(v) negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) accusing any person of a crime or formally censuring any person;

(vii) trade secrets or commercial or financial information that is privileged or confidential;

(viii) information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) investigative records compiled for law enforcement purposes;

(x) information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact;

(xi) matters specifically exempted from disclosure by federal or member state law; or

(xii) other matters as promulgated by the Commission by rule.

(3) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(4) The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the Commission or order of a court of competent jurisdiction.

(g) Financing of the Commission:

(1) The Commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The Commission may accept any and all appropriate revenue sources as provided in paragraph (c), clause (13).

(3) The Commission may levy on and collect an annual assessment from each member state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount for member states shall be allocated based upon a formula that the Commission shall promulgate by rule.

(4) The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the financial review and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the Commission.

(h) Qualified immunity, defense, and indemnification:

(1) The members, officers, executive director, employees, and representatives of the Commission shall be immune from suit and liability, both personally and in their official capacity, for any claim

for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the Commission shall not in any way compromise or limit the immunity granted hereunder.

(2) The Commission shall defend any member, officer, executive director, employee, and representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or as determined by the Commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense, and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The Commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(4) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(5) Nothing in this Compact shall be interpreted to waive or otherwise abrogate a member state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman Act, Clayton Act, or any other state or federal antitrust or anticompetitive law or regulation.

(6) Nothing in this Compact shall be construed to be a waiver of sovereign immunity by the member states or by the Commission.

(i) Notwithstanding paragraph (h), clause (1), the liability of the executive director, employees, or representatives of the interstate commission, acting within the scope of their employment or duties, may not exceed the limits of liability set forth under the constitution and laws of this state for state officials, employees, and agents. This paragraph expressly incorporates section 3.736, and neither expands nor limits the rights and remedies provided under that statute.

(j) Except for a claim alleging a violation of this compact, a claim against the commission, its executive director, employees, or representatives alleging a violation of the constitution and laws of this state may be brought in any county where the plaintiff resides. Nothing in this paragraph creates a private right of action.

Sec. 11. [148E.50] DATA SYSTEM.

(a) The Commission shall provide for the development, maintenance, operation, and utilization of a coordinated data system.

(b) The Commission shall assign each applicant for a multistate license a unique identifier, as determined by the rules of the Commission.

(c) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact is applicable as required by the rules of the Commission, including:

(1) identifying information;

(2) licensure data;

(3) adverse actions against a license and information related thereto;

(4) nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation not made confidential under member state law;

(5) any denial of application for licensure, and the reason for such denial;

(6) the presence of current significant investigative information; and

(7) other information that may facilitate the administration of this Compact or the protection of the public, as determined by the rules of the Commission.

(d) The records and information provided to a member state pursuant to this Compact or through the data system, when certified by the Commission or an agent thereof, shall constitute the authenticated business records of the Commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a member state.

(e) Current significant investigative information pertaining to a licensee in any member state will only be available to other member states.

(f) It is the responsibility of the member states to report any adverse action against a licensee and to monitor the database to determine whether adverse action has been taken against a licensee. Adverse action information pertaining to a licensee in any member state will be available to any other member state.

(g) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(h) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the member state contributing the information shall be removed from the data system.

Sec. 12. [148E.51] RULEMAKING.

(a) The Commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of the Compact. A rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the Commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the Compact, or the powers granted hereunder, or based upon another applicable standard of review.

(b) The rules of the Commission shall have the force of law in each member state, provided however that where the rules of the Commission conflict with the laws of the member state that establish the member state's laws, regulations, and applicable standards that govern the practice of social work as held by a court of competent jurisdiction, the rules of the Commission shall be ineffective in that state to the extent of the conflict.

(c) The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this section and the rules adopted thereunder. Rules shall become binding on the day following adoption or the date specified in the rule or amendment, whichever is later.

(d) If a majority of the legislatures of the member states rejects a rule or portion of a rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(e) Rules shall be adopted at a regular or special meeting of the Commission.

(f) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(g) Prior to adoption of a proposed rule by the Commission, and at least 30 days in advance of the meeting at which the Commission will hold a public hearing on the proposed rule, the Commission shall provide a notice of proposed rulemaking:

(1) on the website of the Commission or other publicly accessible platform;

(2) to persons who have requested notice of the Commission's notices of proposed rulemaking;
and

(3) in such other way as the Commission may by rule specify.

(h) The notice of proposed rulemaking shall include:

(1) the time, date, and location of the public hearing at which the Commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the Commission will consider and vote on the proposed rule;

(2) if the hearing is held via telecommunication, video conference, or other electronic means, the Commission shall include the mechanism for access to the hearing in the notice of proposed rulemaking;

(3) the text of the proposed rule and the reason therefor;

(4) a request for comments on the proposed rule from any interested person; and

(5) the manner in which interested persons may submit written comments.

(i) All hearings will be recorded. A copy of the recording and all written comments and documents received by the Commission in response to the proposed rule shall be available to the public.

(j) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

(k) The Commission shall, by majority vote of all members, take final action on the proposed rule based on the rulemaking record and the full text of the rule.

(1) The Commission may adopt changes to the proposed rule, provided the changes do not enlarge the original purpose of the proposed rule.

(2) The Commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(3) The Commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in paragraph (l), the effective date of the rule shall be no sooner than 30 days after issuing the notice that it adopted or amended the rule.

(l) Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule with 48 hours' notice, with opportunity to comment, provided that the usual rulemaking procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of Commission or member state funds;

(3) meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(4) protect public health and safety.

(m) The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

(n) No member state's rulemaking requirements shall apply under this compact.

Sec. 13. [148E.52] OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT.

(a) Oversight:

(1) The executive and judicial branches of state government in each member state shall enforce this Compact and take all actions necessary and appropriate to implement the Compact.

(2) Except as otherwise provided in this Compact, venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(3) The Commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the Compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the Commission service of process shall render a judgment or order void as to the Commission, this Compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) If the Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the Commission may take, and shall offer training and specific technical assistance regarding the default.

(2) The Commission shall provide a copy of the notice of default to the other member states.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the Compact upon an affirmative vote of a majority of the delegates of the member states, and all rights, privileges, and benefits conferred on that state by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority, and each of the member states' state licensing authority.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) Upon the termination of a state's membership from this Compact, that state shall immediately provide notice to all licensees within that state of such termination. The terminated state shall continue to recognize all licenses granted pursuant to this Compact for a minimum of six months after the date of said notice of termination.

(g) The Commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting state.

(h) The defaulting state may appeal the action of the Commission by petitioning the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(i) Dispute resolution:

(1) Upon request by a member state, the Commission shall attempt to resolve disputes related to the Compact that arise among member states and between member and nonmember states.

(2) The Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(j) Enforcement:

(1) By majority vote as provided by rule, the Commission may initiate legal action against a member state in default in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees. The remedies herein shall not be the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or the defaulting member state's law.

(2) A member state may initiate legal action against the Commission in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney fees.

(3) No person other than a member state shall enforce this compact against the Commission.

Sec. 14. [148E.53] EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT.

(a) The Compact shall come into effect on the date on which the Compact statute is enacted into law in the seventh member state.

(1) On or after the effective date of the Compact, the Commission shall convene and review the enactment of each of the first seven member states ("charter member states") to determine if the statute enacted by each such charter member state is materially different than the model Compact statute.

(i) A charter member state whose enactment is found to be materially different from the model Compact statute shall be entitled to the default process set forth in section 148E.52.

(ii) If any member state is later found to be in default, or is terminated or withdraws from the Compact, the Commission shall remain in existence and the Compact shall remain in effect even if the number of member states should be less than seven.

(2) Member states enacting the compact subsequent to the seven initial charter member states shall be subject to the process set forth in section 148E.49, paragraph (c), clause (21), to determine if their enactments are materially different from the model Compact statute and whether they qualify for participation in the Compact.

(3) All actions taken for the benefit of the Commission or in furtherance of the purposes of the administration of the Compact prior to the effective date of the Compact or the Commission coming into existence shall be considered to be actions of the Commission unless specifically repudiated by the Commission.

(4) Any state that joins the Compact subsequent to the Commission's initial adoption of the rules and bylaws shall be subject to the rules and bylaws as they exist on the date on which the Compact becomes law in that state. Any rule that has been previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that state.

(b) Any member state may withdraw from this Compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's licensing authority to comply with the investigative and adverse action reporting requirements of this Compact prior to the effective date of withdrawal.

(3) Upon the enactment of a statute withdrawing from this Compact, a state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all licenses granted pursuant to this Compact for a minimum of 180 days after the date of such notice of withdrawal.

(c) Nothing contained in this Compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this Compact.

(d) This Compact may be amended by the member states. No amendment to this Compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

Sec. 15. [148E.54] CONSTRUCTION AND SEVERABILITY.

(a) This Compact and the Commission's rulemaking authority shall be liberally construed so as to effectuate the purposes, and the implementation and administration of the Compact. Provisions of the Compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the Commission's rulemaking authority solely for those purposes.

(b) The provisions of this Compact shall be severable and if any phrase, clause, sentence, or provision of this Compact is held by a court of competent jurisdiction to be contrary to the constitution of any member state, a state seeking participation in the Compact, or of the United States, or the applicability thereof to any government, agency, person or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this Compact and the applicability thereof to any other government, agency, person or circumstance shall not be affected thereby.

(c) Notwithstanding paragraph (b), the Commission may deny a state's participation in the Compact or, in accordance with the requirements of section 148E.52, paragraph (b), terminate a member state's participation in the Compact, if it determines that a constitutional requirement of a member state is a material departure from the Compact. Otherwise, if this Compact shall be held to be contrary to the constitution of any member state, the Compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

Sec. 16. [148E.55] CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS.

(a) A licensee providing services in a remote state under a multistate authorization to practice shall adhere to the laws and regulations, including laws, regulations, and applicable standards, of the remote state where the client is located at the time care is rendered.

(b) Nothing herein shall prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the Compact.

(c) Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the Compact are superseded to the extent of the conflict.

(d) All permissible agreements between the Commission and the member states are binding in accordance with their terms."

Delete the title and insert:

"A bill for an act relating to health occupations; establishing transfer care specialist registration; providing licensure for behavior analysts and assistants; providing licensure for veterinary technicians; modifying required education criteria for dental assistants; removing additional collaboration requirements for physician assistants; modifying social worker provisional licensure; creating guest licensure for marriage and family therapists; revising the scope of practice for optometrists; creating a limited license to practice medicine for international medical graduates; establishing licensure for certified midwives; establishing licensure for speech-language pathology assistants; creating a licensure compact for physician assistants, occupational therapists, physical therapists, licensed professional counselors, audiologists and speech language pathologists, dentists and dental hygienists, and social workers; establishing fees; appropriating money; amending Minnesota Statutes 2022, sections 144.0572, subdivision 1; 147.037, by adding a subdivision; 147B.01, subdivisions 3, 4, 9, 14, by adding a subdivision; 147B.03, subdivisions 2, 3; 147B.05, subdivision 1; 147B.06, subdivisions 1, 4, 5; 147D.03, subdivision 1; 148.241; 148.511; 148.512, subdivision 17a; 148.513, subdivisions 1, 2, 3, by adding a subdivision; 148.514, subdivision 2; 148.515, subdivision 1; 148.518; 148.519, subdivision 1, by adding a subdivision; 148.5191, subdivision 1, by adding a subdivision; 148.5192, subdivisions 1, 2, 3; 148.5193, subdivision 1, by adding a subdivision;

148.5194, subdivision 8, by adding a subdivision; 148.5195, subdivisions 5, 6; 148.5196, subdivision 3; 148.56, subdivision 1; 148D.061, subdivisions 1, 8; 148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivision 13a, by adding a subdivision; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65, subdivision 2; 149A.70, subdivisions 3, 4, 5, 7; 149A.90, subdivisions 2, 4, 5; 150A.06, subdivisions 1c, 8; 151.01, subdivision 23; 152.12, subdivision 1; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; 256B.0625, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 144.99, subdivision 1; 148.5195, subdivision 3; 148.5196, subdivision 1; 148B.392, subdivision 2; 245C.031, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 148E; 149A; 150A; 156; proposing coding for new law as Minnesota Statutes, chapter 148G; repealing Minnesota Statutes 2022, sections 147A.09, subdivision 5; 147B.01, subdivision 18; 148D.061, subdivision 9; 156.12, subdivision 6."

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

Senator Rest from the Committee on Taxes, to which was referred

S.F. No. 5234: A bill for an act relating to taxation; modifying property taxes, individual income and corporate franchise taxes, gross receipts taxes, and local government aids; clarifying the definition of certain attachments and appurtenances; proposing advanced payments of the child tax credit; clarifying the credit for research calculation for the gross receipts tax; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; modifying Tribal Nation aid payment dates; appropriating money; amending Minnesota Statutes 2022, sections 272.02, subdivision 19; 273.38; 273.41; 289A.08, subdivision 1; 295.53, subdivision 4a; Minnesota Statutes 2023 Supplement, sections 290.0661, subdivision 7, by adding a subdivision; 477A.40, subdivisions 4, 5; Laws 2023, chapter 64, article 1, section 44.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2022, section 10A.02, subdivision 11b, is amended to read:

Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may develop and maintain systems to enable treasurers to enter and store electronic records online for the purpose of complying with this chapter. Data entered into such systems by treasurers or their authorized agents is not government data under chapter 13 and may not be accessed or used by the board for any purpose without the treasurer's written consent. Data from such systems that has been submitted to the board as a filed report is government data under chapter 13.

(b) For purposes of administering the refund under section 290.06, subdivision 23, the board may access or use the following data entered and stored in an electronic reporting system and share the data with the commissioner of revenue: (1) the amount of the contribution; (2) the name and

address of the contributor; (3) any unique identifier for the contribution; (4) the name and campaign identification number of the party or candidate that received the contribution; and (5) the date on which the contribution was received. Data accessed, used, or maintained by the board under this paragraph are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, ~~a supply of official refund receipt forms~~ receipts in an electronic format that state in boldface type that:

(1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in section 290.06, subdivision 23; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

~~The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. An official refund receipt must only be issued for a contribution of \$10 or more. Each receipt must be in an electronic format and include a unique receipt validation number that allows the commissioner of revenue to verify the information on the receipt with the Campaign Finance Board. A political party or candidate may provide a printed copy of the electronic receipt to the contributor.~~

(b) At least once a week, the board must provide the commissioner of revenue a receipt validation report. For each contribution reported to the board during the week, the report must include:

(1) the date and amount of the contribution;

(2) the name and address of the contributor;

(3) the name and campaign identification number of the party or candidate that received the contribution; and

(4) the receipt validation number assigned to the contribution.

~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(c)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(c)~~ (d) is a misdemeanor.

(f) A receipt validation report and a receipt validation number prepared pursuant to this section are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective for contributions made after December 31, 2025.

Sec. 3. Minnesota Statutes 2022, section 289A.08, subdivision 1, is amended to read:

Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code or meets the requirements under paragraph (d) to file a return, except that:

(1) an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota; and

(2) an individual who is a Minnesota resident is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under section 290.17, less the subtractions allowed under section 290.0132, subdivisions 12 and 15, is less than the filing requirements for a single individual who is a full-year resident of Minnesota.

(b) The decedent's final income tax return, and other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, must be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns must be filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property of the decedent.

(c) The term "gross income," as it is used in this section, has the same meaning given it in section 290.01, subdivision 20.

(d) The commissioner of revenue must annually determine the gross income levels at which individuals are required to file a return for each taxable year based on the amounts allowed as a deduction under section 290.0123.

(e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return for each taxable year that the taxpayer has made an election to receive advance payments of the child tax credit under section 290.0661, subdivision 8.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 4. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** (a) Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023. Internal Revenue Code also includes any uncoded provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

(b) For purposes of this chapter, "Internal Revenue Code" does not include section 530 of Public Law 95-600, as amended.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 4, is amended to read:

Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the following amounts paid to others for each qualifying child are a subtraction:

(1) education-related expenses; plus

(2) tuition and fees paid to attend a school described in section 290.0674, subdivision 1a, paragraph ~~(b)~~ (c), clause (4), that are not included in education-related expenses; less

(3) any amount used to claim the credit under section 290.0674.

(b) The maximum subtraction allowed under this subdivision is:

(1) \$1,625 for each qualifying child in kindergarten through grade 6; and

(2) \$2,500 for each qualifying child in grades 7 through 12.

(c) The definitions in section 290.0674, subdivision 1a, apply to this subdivision.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 6. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 36. **Foreign service pension; retirement pay.** (a) Compensation received from a pension or other retirement pay from the federal government for service in the foreign service and established under United States Code, title 22, section 4071, is a subtraction.

(b) The subtraction equals the product of:

(1) the amount of compensation received under paragraph (a); and

(2) the number of years of foreign service divided by the total number of years of civil service for which the taxpayer receives pension income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 7. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 37. **Discharges of indebtedness; coerced debt.** The amount of discharge of indebtedness awarded to a debtor under section 332.74, subdivision 3, is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 8. Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23, is amended to read:

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum total refund per calendar year for an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed \$150. The commissioner must not issue a refund, whether in one payment or in aggregate, to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A refund of a contribution is allowed only if the taxpayer files:

(1) a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request; or

(2) a claim using the electronic filing system authorized in paragraph (i).

The form or claim must include one or more unique receipt validation numbers from receipts issued pursuant to section 10A.322, subdivision 4.

(b) A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. A claim must be for a minimum of \$10. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

~~(c)~~ (d) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

~~(d)~~ (e) The commissioner shall make copies of the form available to the public and candidates upon request.

~~(e)~~ (f) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a)~~ (i) The commissioner must establish an electronic filing system by which refunds are claimed.

EFFECTIVE DATE. This section is effective for contributions made after December 31, 2025.

Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 7, is amended to read:

Subd. 7. **Inflation adjustment.** (a) For taxable years beginning after December 31, 2025, the commissioner of revenue must annually adjust for inflation the credit amount in subdivision 3 as provided in section 270C.22. The adjusted amounts must be rounded to the nearest \$60. The statutory year is taxable year 2025.

(b) For taxable years beginning after December 31, 2023, the commissioner of revenue must annually adjust for inflation the phaseout thresholds in subdivision 4, as provided in section 270C.22. The statutory year is taxable year 2023.

(c) For taxable years beginning after December 31, 2025, and before January 1, 2029, the commissioner of revenue must annually adjust for inflation the limitations for adjusted gross income in subdivision 9, paragraph (a), clause (2), as provided in section 270C.22. The statutory year is taxable year 2025.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 8, is amended to read:

Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue ~~may~~ must establish a process to allow taxpayers to elect to receive one or more advance payments of the credit under this section. The amount of advance payments must be based on the taxpayer and commissioner's estimate of the amount of credits for which the taxpayer would be eligible in the taxable year beginning in the calendar year in which the payments were made. The commissioner must not distribute advance payments to a taxpayer who does not elect to receive advance payments.

(b) The amount of a taxpayer's credit under this section for the taxable year is reduced by the amount of advance payments received by the taxpayer in the calendar year during which the taxable year began. If a taxpayer's advance payments exceeded the credit the taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased by the difference between the amount of advance payments received and the credit amount.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 11. Minnesota Statutes 2023 Supplement, section 290.0661, is amended by adding a subdivision to read:

Subd. 9. **Minimum credit.** (a) For taxable years beginning after December 31, 2024, and before January 1, 2029, an eligible taxpayer is allowed the greater of the credit allowed under subdivision 2 or the minimum credit described in this subdivision. A taxpayer is eligible for the minimum credit under this subdivision if the taxpayer:

(1) received an advance payment of the credit under subdivision 8 in the preceding taxable year; and

(2) has adjusted gross income in the current taxable year equal to or less than:

(i) \$60,100 for married taxpayers filing a joint return with one qualifying child; or

(ii) \$49,570 for all other filers with one qualifying child.

(b) The adjusted gross income limitations in paragraph (a), clause (2), are increased by \$9,000 for each additional qualifying child.

(c) The credit allowed under this subdivision is equal to 50 percent of the credit received under subdivision 2 in the prior taxable year, unless paragraph (d) applies.

(d) If a taxpayer is claiming fewer qualifying children in the current taxable year than in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50 percent of the credit received under this section in the prior taxable year multiplied by a fraction in which:

(1) the numerator is the number of qualifying children in the current taxable year; and

(2) the denominator is the number of qualifying children in the prior taxable year.

(e) The commissioner must certify the total change in individual income tax liability from the credit allowed under this subdivision compared to the credit calculated under subdivision 2 to the commissioner of management and budget by June 30 of each year.

(f) A minimum child tax credit account is created in the special revenue fund. Money in the account is appropriated to the commissioner of management and budget for transfers to the general fund required in paragraph (h).

(g) \$9,900,000 in fiscal year 2025 is transferred from the general fund to the minimum child tax credit account established in paragraph (f). This transfer is for fiscal year 2025 only.

(h) In fiscal years 2026 and 2027, the commissioner of management and budget must transfer an amount equal to the amount certified in paragraph (e) from the minimum child tax credit account to the general fund beginning in fiscal year 2026. Any amount remaining in the minimum child tax credit account on June 30, 2027, cancels to the general fund.

(i) This subdivision expires January 1, 2029, for taxable years beginning after December 31, 2028.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 12. Minnesota Statutes 2023 Supplement, section 290.0674, subdivision 1a, is amended to read:

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

(b) "Career and technical education program" means a program which has received approval under section 124D.4531 or 136F.32 and that provides individuals with coherent rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provides technical skill proficiency, an industry-recognized credential, and a certificate, a diploma, or an associate degree.

~~(b)~~ (c) "Education-related expenses" means:

(1) qualifying instructional fees or tuition;

(2) expenses for textbooks, including books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under

section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; ~~and~~

(4) the amount paid to others for transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For a qualifying child participating in a career and technical education program, education-related expenses includes the amount paid to others for transportation outside regular school hours that is directly related to the qualifying child's participation in the program. Amounts under this clause exclude any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle; and

(5) for a qualifying child participating in a career and technical education program, expenses for:

- (i) participation in a student organization that is a requirement of the program curriculum; and
- (ii) equipment not eligible under clause (2) that is required for participation in the program.

~~(d)~~ (d) "Qualified instructor" means an individual who is not a lineal ancestor or sibling of the dependent and who is:

- (1) an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5); or
- (2) a member of the Minnesota Music Teachers Association.

~~(e)~~ (e) "Qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

~~(f)~~ (f) "Qualifying instructional fees or tuition" means fees or tuition for instruction by a qualified instructor outside the regular school day or school year, and that does not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, including:

(1) driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity; or

(2) tutoring or summer camps that:

(i) are in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year;

(ii) assist a dependent to improve knowledge of core curriculum areas; or

(iii) expand knowledge and skills under:

(A) the required academic standards under section 120B.021, subdivision 1; and

(B) the world languages standards under section 120B.022, subdivision 1.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 13. Minnesota Statutes 2022, section 290.0686, is amended to read:

290.0686 CREDIT FOR ATTAINING MASTER'S DEGREE IN TEACHER'S LICENSURE FIELD.

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

(b) "Master's degree program" means a graduate-level program at an accredited university leading to a master of arts or science degree in either a core content area directly related to a qualified teacher's licensure field or in special education. ~~Except for a special education program, the master's degree program may not include pedagogy or a pedagogy component. To be eligible under this credit, a licensed elementary school teacher must pursue and complete a master's degree program in either a core content area in which the teacher provides direct classroom instruction or in special education.~~

(c) "Qualified teacher" means a person who:

(1) holds a teaching license issued by the licensing division in the Department of Education on behalf of the Professional Educator Licensing and Standards Board ~~both when the teacher begins the master's degree program and when~~ or receives the license within six months of the date the teacher completes the master's degree program;

(2) began a master's degree program after June 30, 2017; and

(3) completes the master's degree program during the taxable year.

(d) "Core content area" means the academic subject of reading, English or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, or geography.

(e) "Special education" means a program of study directly related to licensure in developmental disabilities, early childhood special education, deaf and hard of hearing education, blind and visually impaired education, emotional or behavioral disorders, autism spectrum disorders, or learning disabilities.

Subd. 2. **Credit allowed.** (a) An individual who is a qualified teacher is allowed a credit against the tax imposed under this chapter. The credit equals the lesser of \$2,500 or the amount the individual paid for tuition, fees, books, and instructional materials necessary to completing the master's degree program and for which the individual did not receive reimbursement from an employer or scholarship.

(b) For a nonresident or a part-year resident, the credit under this subdivision must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(c) A qualified teacher may claim the credit in this section: (1) in the later of the year the master's degree program is completed or the year the teaching license is received; and (2) only one time for each master's degree program completed in a core content area or in special education.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 14. **[290.0687] AEROSPACE AND AVIATION CREDIT.**

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

(b) "Aerospace" means relating to vehicles or objects for the purpose of suborbital, orbital, or space flight, whether for private or public, or civil or defense-related purposes.

(c) "Aviation" means relating to vehicles or objects, except parachutes, used for the purpose of controlled flight through the air, regardless of how the vehicle or object is propelled or controlled, and regardless of whether the vehicle or object is manned or unmanned, for private or for public use, or for civil or defense-related purposes, or equipped with parachute systems.

(d) "Aviation and aerospace sector" means a private or public organization engaged in the manufacture of aviation or aerospace hardware or software, aviation or aerospace maintenance, aviation or aerospace repair and overhaul, supply of parts to the aviation or aerospace industry, provision of services and support relating to the aviation or aerospace industry, research and development of aviation or aerospace technology and systems, or education and training of aviation or aerospace personnel.

(e) "Eligible institution" means any postsecondary institution that participates in the federal Pell Grant Program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

(f) "Full-time basis" means at least 40 hours per week.

(g) "Qualified employee" means any individual who is a resident of Minnesota who meets the following requirements:

(1) was newly employed by a qualified employer on a full-time basis, or first contracted with a qualified employer on a full-time basis, on or after January 1, 2025; and

(2) has been awarded, within one year before or after the beginning date of employment, an undergraduate degree, graduate degree, technical degree, or certificate in a qualified program by a qualified institution.

(h) "Qualified employer" means a sole proprietorship, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity, fiduciaries, estates, trusts, or public entity whose principal business activity involves the aviation and aerospace sector and who employs a qualified employee.

(i) "Qualified program" means a program at an eligible institution that:

(1) has been accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology, the Federal Aviation Administration, or a regional accrediting body and that awards an undergraduate or graduate degree;

(2) is within the meaning of an associate of applied science degree program or career technical education program that results in the awarding of a degree or certificate that prepares the graduate for gainful employment with a qualified employer; or

(3) results in obtaining a certification or rating which directly relates to the aviation and aerospace sector and is granted through the Federal Aviation Administration or regional accredited body.

(j) "Tuition" means the amount paid for enrollment, program-specific course fees, and instruction in a qualified program that includes both amounts paid during participation in a qualified program and amounts paid for tuition debt upon completion of a qualified program. Tuition does not include the cost of books, fees that are not program-specific course fees, or room and board.

Subd. 2. **Credit for tuition paid by qualified employers; limitation.** (a) A qualified employer is allowed a credit against the tax imposed under this chapter for tuition reimbursed each year to a qualified employee in the first through fifth consecutive years of employment.

(b) The credit equals 50 percent of the amount of tuition reimbursed by the qualified employer to each qualified employee in the taxable year, except that the credit must not exceed 50 percent of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program. The credit is limited to the qualified employer's liability for tax. The credit is not refundable and may not be carried forward.

Subd. 3. **Qualified employer credits; pass through entities.** Credits allowed to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's share of the entity's assets or as specially allocated in the organizational documents or any other executed agreement, as of the last day of the taxable year.

Subd. 4. **Reports.** Beginning January 15, 2027, and each year thereafter, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections 3.195 and 3.197, on the tax credits issued under this section. The report must include information regarding the cost and effectiveness of the tax credit program. The report may also include any recommendations for changes to law necessary to implement the credit.

Subd. 5. **Expiration.** This section expires January 1, 2034, for taxable years beginning after December 31, 2033.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 15. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended to read:

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

(b) "Combined exemption amount" means the sum of:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

~~(b)~~ (c) "Dependent" means any individual who is considered a dependent under sections 151 and 152 of the Internal Revenue Code.

~~(c)~~ (d) "Disability" has the meaning given in section 290A.03, subdivision 10.

~~(d)~~ (e) "Exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b).

~~(e)~~ (f) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. The gross rent of a resident of a nursing home or intermediate care facility is \$600 per month. The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

~~(f)~~ (g) "Homestead" has the meaning given in section 290A.03, subdivision 6.

~~(g)~~ (h) "Household" has the meaning given in section 290A.03, subdivision 4.

~~(h)~~ (i) "Household income" means all income received by all persons of a household in a taxable year while members of the household, other than income of a dependent.

~~(i)~~ (j) "Income" means adjusted gross income, minus:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4 the taxpayer's combined exemption amount; and

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3; the amount of discharge of indebtedness subtracted under section 290.0132, subdivision 37.

~~(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;~~

~~(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;~~

~~(5) for the taxpayer's fifth dependent, the exemption amount; and~~

~~(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.~~

~~(j)~~ (k) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 16. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 1, is amended to read:

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

(b) "Credit certificate" means the certificate issued by the commissioner of transportation under subdivision 3, paragraph (a).

~~(b)~~ (c) "Eligible taxpayer" means any railroad that is classified by the United States Surface Transportation Board as a Class II or Class III railroad.

~~(c)~~ (d) "Eligible transferee" means any taxpayer subject to tax under this chapter or chapter 297I.

~~(d)~~ (e) "Qualified railroad reconstruction or replacement expenditures" means gross expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1, 2021. Qualified railroad reconstruction or replacement expenditures also includes new construction of industrial leads, switches, spurs and sidings and extensions of existing sidings in Minnesota by a Class II or Class III railroad.

(f) "Transfer credit certificate" means the certificate issued to a transferee by the commissioner under subdivision 3, paragraph (d).

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

Sec. 17. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 3, is amended to read:

Subd. 3. ~~Transferability~~ **Credit certificates; written agreement required; credit certificate transferability.** (a) To qualify for a credit under this section, an eligible taxpayer must apply to the commissioner of transportation for a credit certificate. The application for the credit certificate must be in the form and manner prescribed by the commissioner of transportation, in consultation with the commissioner. If the application is approved, the commissioner of transportation must issue the credit certificate to the eligible taxpayer within 30 days of receipt of the application. The credit certificate must state, at a minimum, the number of miles of qualified railroad reconstruction or replacement expenditures in the taxable year and the total amount of credit calculated under the provisions of subdivision 2, paragraph (a). The commissioner of transportation must provide a copy of the credit certificate to the commissioner of revenue. The commissioner of transportation must not issue more than one credit certificate to an eligible taxpayer in a taxable year.

(b) By written agreement, an eligible taxpayer may transfer the credit allowed under this section by written agreement to an eligible transferee. The amount of the transferred credit is limited to the unused, remaining portion of the credit as follows:

(1) any amount of the credit allowed that is stated in the credit certificate before any of the credit is claimed; or

(2) the entire amount of the credit carryover in each of the five succeeding taxable years.

~~(b)~~ (c) The eligible taxpayer and the eligible transferee must jointly file a copy of the written transfer agreement with the commissioner within 30 days of the transfer. The written agreement must contain the name, address, and taxpayer identification number of the parties to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures; the amount of credit being transferred; and the taxable year or years for which the transferred credit may be claimed.

~~(c)~~ (d) The commissioner must issue a transfer credit certificate to the transferee within 30 days of the joint filing of a copy of the written transfer agreement with the commissioner.

~~(d) In the case of an audit or assessment, the transferee is liable for repayment of credits claimed in excess of the allowed amount.~~

(e) An eligible taxpayer must not transfer a credit to an eligible transferee more than once in a taxable year.

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

Sec. 18. Minnesota Statutes 2023 Supplement, section 290.091, subdivision 2, is amended to read:

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

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

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

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

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

(ii) the medical expense deduction;

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

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

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

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

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

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

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

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

less the sum of the amounts determined under the following:

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

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

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

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, 31, and 34, ~~and 35~~ to 36;

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

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

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

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

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

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section, section 290.033, and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 19. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIP CREDIT.**

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

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

Subd. 2. Local employer scholarships tax credit. (a) A local employer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, equal to the amount of the local employer's scholarship awarded to an employer-sponsored applicant that is matching funds for a Shakopee area workforce development scholarship to the applicant.

(b) The credit allowed to a local employer under this subdivision per scholarship awarded to an employer-sponsored applicant for a taxable year is limited to the total amount of the local employer's scholarship awarded to an employer-sponsored applicant.

(c) If the amount of credit which a claimant is eligible to receive under this subdivision exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the commissioner of revenue shall refund the excess to the claimant.

(d) Credits allowed to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed document, as of the last day of the taxable year.

(e) For nonresidents and part-year residents, the credit must be allocated based on the percentage calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

(f) Unless specifically provided otherwise by this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of Minnesota Statutes, chapters 270C and 289A, that are applicable to taxes imposed under Minnesota Statutes, chapter 290, apply to the tax credit allowed under this section.

(g) This subdivision expires for taxable years beginning after December 31, 2028, except that the expiration of this subdivision does not affect the commissioner of revenue's authority to audit or power of examination and assessment for credits claimed under this subdivision.

(h) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner of revenue from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and before January 1, 2029, provided that Senate File 5289, article 2, section 9, or similarly styled legislation is enacted in the 2024 regular legislative session.

Sec. 20. APPROPRIATION; POLITICAL CONTRIBUTION REFUND ELECTRONIC FILING SYSTEM.

\$147,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue to establish and implement an electronic filing system for political contribution refund claims. This appropriation is available until June 30, 2026. The base for this appropriation is \$59,000 for fiscal year 2026 and \$59,000 for fiscal year 2027.

Sec. 21. APPROPRIATION; DEPARTMENT OF TRANSPORTATION.

\$33,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of transportation to implement the requirements of Minnesota Statutes, section 290.0695.

Sec. 22. TRANSFER.

On July 1, 2024, \$5,000,000 is transferred to the general fund from the tax filing modernization account in the special revenue fund established in Laws 2023, chapter 64, article 15, section 24.

Sec. 23. REPEALER.

Laws 2023, chapter 64, article 15, section 24, is repealed.

EFFECTIVE DATE. This section is effective July 2, 2024.

ARTICLE 2

PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 2022, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; ~~or~~

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4; or

(7) property owned by a nonprofit conservation organization that is leased, loaned, or otherwise made available to a private individual, corporation, or association for grazing activities that further the nonprofit conservation organization's conservation objectives for the property, as shown in a management or restoration plan.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2025.

Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 19, is amended to read:

Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution ~~lines and their attachments and appurtenances~~ systems, not including substations or transmission or generation equipment, that are used primarily for supplying electricity to farmers at retail, are exempt.

EFFECTIVE DATE. This section is effective for assessment year 2024 and thereafter.

Sec. 3. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to read:

Subd. 106. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in 2024;

(2) is located within a county with a population greater than 5,580 but less than 5,620 according to the 2020 federal census;

(3) is located in an unorganized territory with a population less than 800 according to the 2020 federal census; and

(4) was on January 2, 2023, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota.

(b) Property that qualifies for exemption under this subdivision is limited to not more than five parcels.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025.

Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to read:

Subd. 107. Certain property owned by an Indian Tribe. (a) Property is exempt that:

(1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in 2024;

(2) is located in a city of the first class with a population greater than 400,000 as of the 2020 federal census;

(3) was on January 1, 2023, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota; and

(4) is used exclusively for Tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) Property that qualifies for the exemption under this subdivision is limited to one parcel that does not exceed 40,000 square feet and that was acquired by the Indian Tribe in July 2019. Property used for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025.

Sec. 5. Minnesota Statutes 2023 Supplement, section 273.128, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Low-income rental property classified as class 4d(1) under section 273.13, subdivision 25, is entitled to valuation under this section if at least 20 percent of the units in the rental housing property meet any of the following qualifications:

(1) the units are subject to a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, as amended;

(2) the units are rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

(3) the units are financed by the Rural Housing Service of the United States Department of Agriculture and receive payments under the rental assistance program pursuant to section 521(a) of the Housing Act of 1949, as amended; or

(4) the units are subject to rent and income restrictions under the terms of financial assistance provided to the rental housing property by the federal government or the state of Minnesota, or a local unit of government, as evidenced by a document recorded against the property. The restrictions under this clause must require assisted units to be occupied by residents whose household income at the time of initial occupancy does not exceed 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development. The restriction must also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.

~~The restrictions must require assisted units to be occupied by residents whose household income at the time of initial occupancy does not exceed 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development. The restriction must also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater of area or state median income, adjusted for family size, as determined by the United States Department of Housing and Urban Development.~~

(b) The owner of a property certified as class 4d(1) under this section must use the property tax savings received from the 4d(1) classification for one or more of the following eligible uses: property maintenance, property security, improvements to the property, rent stabilization, or increases to the property's replacement reserve account. To maintain the class 4d(1) classification, the property owner must annually reapply and certify to the Housing Finance Agency that the property tax savings were used for one or more eligible uses.

(c) In order to meet the requirements of this section, property which received the 4d(1) classification in the prior year must demonstrate compliance with paragraph (b).

EFFECTIVE DATE. This section is effective beginning with assessment year 2025.

Sec. 6. Minnesota Statutes 2022, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately surrounding one acre of land has the same classification rates as class 1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier valuation limit of agricultural homestead property has a classification rate of 0.5 percent of market value. The remaining property over the first tier has a classification rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a classification rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be

split-classified, and ten acres must be assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled in the sustainable forest management incentive program under chapter 290C, the number of acres assigned to the split parcel improved with a structure that is not a minor, ancillary nonresidential structure must equal three acres or the number of acres excluded from the sustainable forest incentive act covenant due to the structure, whichever is greater. Class 2b property has a classification rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource management incentive program. It has a classification rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph.

(e) Agricultural land as used in this section means:

(1) contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes; or

(2) contiguous acreage used during the preceding year for an intensive livestock or poultry confinement operation, provided that land used only for pasturing or grazing does not qualify under this clause.

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program

provision, a taxpayer must apply to the assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

"Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion of, a set of contiguous tax parcels under that section that are owned by the same person.

(f) Agricultural land under this section also includes:

(1) contiguous acreage that is less than ten acres in size and exclusively used in the preceding year for raising or cultivating agricultural products; ~~or~~

(2) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for one or more of the following three uses:

(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or

(iii) for intensive market farming; ~~for purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated. or~~

(3) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for market farming; and:

(i) the owner provides the county assessor with federal Schedule F (Form 1040) for the most recent tax year which reports gross income of at least \$5,000; or

(ii) if the owner has not filed federal Schedule F (Form 1040) for the most recent tax year, the owner provides the county assessor with a farm financial plan prepared by a financial management program approved by the commissioner of agriculture that demonstrates a plan to earn \$5,000 annually in gross income in each of the next two years.

For purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated, and "contiguous acreage," for purposes of this paragraph, means all of a tax parcel as described in section 272.193, or all of a set of contiguous tax parcels under that section that are owned by the same person.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) aquacultural products for sale and consumption, as defined under section 17.47, if the aquaculture occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised (i) on a game farm licensed under section 97A.105, provided that the annual licensing report to the Department of Natural Resources, which must be submitted annually by March 30 to the assessor, indicates that at least 500 birds were raised or used for breeding stock on the property during the preceding year and that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025.

Sec. 7. Minnesota Statutes 2022, section 273.38, is amended to read:

273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.

~~The distribution lines and the attachments and appurtenances thereto~~ systems, not including substations or transmission or generation equipment, of cooperative associations organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof and supplemental thereto, and engaged in the electrical heat, light and power business, upon a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections 273.40 and 273.41.

EFFECTIVE DATE. This section is effective for assessment year 2024 and thereafter.

Sec. 8. Minnesota Statutes 2022, section 273.41, is amended to read:

273.41 AMOUNT OF TAX; DISTRIBUTION.

There is hereby imposed upon each such cooperative association on December 31 of each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon ~~distribution lines and the attachments and appurtenances thereto of such associations~~ that part of the association's distribution system, not including substations or transmission or generation equipment, located in rural areas. The tax shall be payable on or before March 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein specified for the payment thereof, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270C.40 from the time such tax should have been paid until paid. The commissioner shall deposit the amount so received in the general fund of the state treasury.

EFFECTIVE DATE. This section is effective for assessment year 2024 and thereafter.

Sec. 9. Minnesota Statutes 2023 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1995;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for the claimant and spouse;

(xii) to the extent not included in federal adjusted gross income, distributions received by the claimant or spouse from a traditional or Roth style retirement account or plan;

(xiii) nontaxable scholarship or fellowship grants;

(xiv) alimony received to the extent not included in the recipient's income;

(xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;

(xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue Code; and

(xvii) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

(2) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(3) to the extent included in federal adjusted gross income, amounts contributed by the claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed the retirement base amount reduced by the amount of contributions excluded from federal adjusted gross income, but not less than zero;

(4) surplus food or other relief in kind supplied by a governmental agency;

(5) relief granted under this chapter;

(6) child support payments received under a temporary or final decree of dissolution or legal separation;

(7) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;

(8) alimony paid; ~~or~~

(9) veterans disability compensation paid under title 38 of the United States Code; or

(10) to the extent included in federal adjusted gross income, the amount of discharge of indebtedness awarded to the claimant under section 332.74, subdivision 3.

(c) The sum of the following amounts may be subtracted from income:

(1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the claimant's fifth dependent, the exemption amount; and

(6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or before December 31 of the year for which the taxes were levied, the exemption amount.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for property taxes payable in 2025 and thereafter.

Sec. 10. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision to read:

Subd. 2a. Land bank organization. "Land bank organization" means an organization that, at least in part, acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited property for future development, redevelopment, or disposal, and that is either:

(1) a nonprofit organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code whose governing board members are elected or appointed by the state of Minnesota, any political subdivision of the state of Minnesota, or an agency of the state of

Minnesota or its political subdivisions, or are elected or appointed officials of the state of Minnesota or any of its political subdivisions; or

(2) a limited liability company of which a nonprofit organization described in clause (1) is the sole member.

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

Sec. 11. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

Subdivision 1. **Authority.** The governing body of a political subdivision may grant a current or prospective abatement, by contract or otherwise, of the taxes imposed by the political subdivision on a parcel of property, which may include personal property and machinery, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

(1) it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement or intends the abatement to phase in a property tax increase, as provided in clause (2)(vii); and

(2) it finds that doing so is in the public interest because it will:

(i) increase or preserve tax base;

(ii) provide employment opportunities in the political subdivision;

(iii) provide or help acquire or construct public facilities;

(iv) help redevelop or renew blighted areas;

(v) help provide access to services for residents of the political subdivision;

(vi) finance or provide public infrastructure;

(vii) phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to improvement of the parcel; ~~or~~

(viii) stabilize the tax base through equalization of property tax revenues for a specified period of time with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100;

(ix) provide for the development of affordable housing to households at or below 80 percent of area median income as estimated by the United States Department of Housing and Urban Development for the political subdivision in which the project is located; or

(x) allow the property to be held by a land bank organization for future development.

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

Sec. 12. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The abatement period commences in the first year in which the abatement granted is either paid or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify in the abatement resolution a shorter duration. If the resolution does not specify a period of time, the abatement is for eight years. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. This prohibition does not apply to improvements added after and not subject to the first abatement. Economic abatement agreements for real and personal property subject to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and may be granted successively.

(b) A political subdivision proposing to abate taxes for a parcel may request, in writing, that the other political subdivisions in which the parcel is located grant an abatement for the property. If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to 20 years. If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit under paragraph (a).

(c) An abatement under subdivision 1, clause (2), items (ix) and (x), may be granted for a period no longer than five years. This limit also applies if the resolution does not specify a period of time.

EFFECTIVE DATE. This section is effective for abatement resolutions approved after the day following final enactment.

Sec. 13. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision to read:

Subd. 11. **Repayment.** A land bank organization receiving an abatement under subdivision 1, clause (2), item (ix) or (x), must repay the abatement with interest if the land for which the abatement was granted is used for a purpose other than the purpose given by the land bank organization prior to redevelopment, as determined by the governing body of the political subdivision that granted the abatement. This subdivision applies immediately after the abatement under this section expires and land is subject to repayment under this subdivision for the same number of years that the abatement was granted. Interest under this section is payable at the rate determined in section 270C.40, subdivision 5.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 477A.015, is amended to read:

477A.015 PAYMENT DATES.

(a) The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December 26 annually.

(b) Notwithstanding paragraph (a), for aids payable in 2025 only, the commissioner of revenue shall make payments of the aid payable under section 477A.013, subdivision 9, in three installments as follows: (1) ~~9.402~~ 9.7401 percent of the aid shall be paid on March 20, 2025; (2) ~~40.598~~ 40.2599 percent of the aid shall be paid on July 20, 2025; and (3) 50 percent of the aid shall be paid on December 26, 2025.

(c) When the commissioner of public safety determines that a local government has suffered financial hardship due to a natural disaster, the commissioner of public safety shall notify the commissioner of revenue, who shall make payments of aids under sections 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical after the determination is made but not before July 20.

(d) The commissioner may pay all or part of the payments of aids under sections 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a local government requests such payment as being necessary for meeting its cash flow needs.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2025.

Sec. 15. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given:

~~(+)~~ (b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

~~(+)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income.

~~(+)~~ (d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year.

(e) "Locally funded housing expenditures" mean expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, which are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted funds available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2~~;~~

~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4~~;~~

~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3~~; and.~~

~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2024.

Sec. 16. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include: (1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development; (2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; ~~and~~ (3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force; (4) financing the operations and management of financially distressed residential properties; and (5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding.

~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area

median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

~~(b)~~ (c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(c)~~ (d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2024.

Sec. 17. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be ~~spent by December 31 in the third year following the year after the aid was received;~~

(1) committed to a qualifying project by December 31 in the third year following the year after the aid was received; and

(2) expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2024.

Sec. 18. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a subdivision to read:

Subd. 5a. **Maintenance of effort.** As a condition of receiving aid under this section, a recipient must commit in the annual report required under subdivision 6, paragraph (b), to maintaining its locally funded housing expenditures at a level that is not less than the average level of such expenditures maintained by the recipient for the three preceding fiscal years.

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. In the report, a recipient must certify its compliance with subdivision 5a, including an accounting of locally funded housing expenditures in the three prior fiscal years. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its maintenance of effort requirement,~~ the Minnesota Housing Finance Agency

shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

- (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);
- (2) spends the funds on anything other than a qualifying project; ~~or~~
- (3) fails to submit a report documenting use of the funds; or
- (4) fails to meet the maintenance of effort requirement under subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds. A request under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the aids payable year that a tier I city or county requests the commissioner to stop payment of aid. Any request received after May 1 will apply beginning in the next aids payable year.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2025.

Sec. 20. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 4, is amended to read:

Subd. 4. **Application.** An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal

Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation ~~on or before August 1~~ by June 1.

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 5, is amended to read:

Subd. 5. **Payments.** The commissioner of revenue must pay Tribal Nation aid annually by ~~December 27~~ July 20 of the year the aid is certified.

EFFECTIVE DATE. This section is effective for aid paid in 2025 and thereafter.

Sec. 22. Laws 2023, chapter 64, article 4, section 27, is amended by adding a subdivision to read:

Subd. 9. **Report.** (a) By January 15, 2025, each: (1) local unit that receives aid in an amount greater than \$10,000; (2) county; and (3) Tribal government must report the following information to the commissioner of public safety in the form and manner approved by that commissioner:

(i) the amount of aid received; and

(ii) the ways in which the aid was used or is intended to be used.

(b) By February 15, 2025, the commissioner of public safety must compile the information received from counties, Tribal governments, or local units pursuant to paragraph (a) and submit the compiled data in a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy and taxes and property taxes. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197.

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

Sec. 23. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart must receive its aid payment for calendar year 2023 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, provided that the state auditor certifies to the commissioner of revenue that it received the annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

Sec. 24. **2024 TRIBAL NATION AID.**

(a) Notwithstanding any law to the contrary, for calendar year 2024 the commissioner of revenue must pay Tribal Nation aid under Minnesota Statutes, section 477A.40, by June 20, 2024.

(b) \$35,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of revenue to make payments required under this section.

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

Sec. 25. SUPPLEMENTAL 2024 SOIL AND WATER CONSERVATION DISTRICT AID DISTRIBUTION.

(a) Supplemental aid for a soil and water conservation district equals the product of:

(1) the aid amount under Minnesota Statutes, section 477A.23, subdivision 2, certified for the soil and water conservation district for aid payable in 2024;

(2) the reciprocal of the total amount of aid certified for all soil and water conservation districts under Minnesota Statutes, section 477A.23, subdivision 2, certified for aid payable in 2024; and

(3) the total appropriation under this section.

(b) The Board of Water and Soil Resources must certify the supplemental aid amounts under this section to the commissioner of revenue and soil and water conservation districts before August 1, 2024. The commissioner of revenue must pay the supplemental aid amounts on December 26, 2024.

(c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the commissioner of revenue for aid under this section. This is a onetime appropriation.

EFFECTIVE DATE. This section is effective for aid payable in calendar year 2024.

Sec. 26. SUPPLEMENTAL 2024 TOWN AID DISTRIBUTION.

(a) Supplemental aid for a town equals the product of:

(1) the aid amount under Minnesota Statutes, section 477A.013, subdivision 1, certified for the town for aid payable in 2024;

(2) the reciprocal of the total amount of aid certified for all towns under Minnesota Statutes, section 477A.013, subdivision 1, certified for aid payable in 2024; and

(3) the total appropriation under this section.

(b) The commissioner of revenue must certify supplemental aid amounts under this section before August 1, 2024, and must pay the aid on December 26, 2024.

(c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the commissioner of revenue for aid under this section. This is a onetime appropriation.

EFFECTIVE DATE. This section is effective for aid payable in calendar year 2024.

Sec. 27. PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.

(a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b), and any other law to the contrary, property located in the city of Minneapolis acquired by Red Lake Nation College Without Borders, LLC in either August 2021 or September 2021 is exempt from property taxes payable in 2022 and the portion of property taxes payable in 2021 due after the property was acquired. The city assessor must provide the property owner with an application for exemption under this section and the property owner must file the application with the city assessor by August 1, 2024. An amount necessary to make a payment to the county for the property taxes attributable to the exemption is appropriated from the general fund to the commissioner of revenue in fiscal year 2025. This is a onetime appropriation.

(b) By August 1, 2024, the auditor of the county in which the property is located must certify to the commissioner of revenue the amount to be paid by the commissioner of revenue to the county under paragraph (a). The commissioner of revenue must make this payment by August 15, 2024.

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

Sec. 28. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2024.

ARTICLE 3

MINERALS

Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, excluding the amounts listed in paragraph (b), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a;

(3) obligations for long-term facilities maintenance under section 123B.595;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness or capital loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a municipality as defined under section 273.134, paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in paragraph (c).

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in paragraph (c).

(c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph (a) and ~~\$289.80 on property described in paragraph (b).~~

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2025.

Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to read:

Subd. 3c. Notice of proposed taxes; property subject to chapter 276A. In the case of property subject to the areawide tax under section 276A.06, subdivision 7, for both the current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to the tax amounts shown for each jurisdiction, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may be a negative number. If the fiscal disparities adjustment for either the current year taxes or the proposed tax amount is a negative number, the percentage change must not be shown. In all other respects the statement must fulfill the requirements of subdivision 3.

EFFECTIVE DATE. This section is effective beginning with proposed notices for property taxes payable in 2025.

Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to read:

Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case of property subject to the areawide tax under section 276A.06, subdivision 7, for both the current year taxes and the previous year tax amounts, the net tax capacity portion of the tax shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown for each jurisdiction, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may be a negative number. In all other respects the statement must fulfill the requirements of subdivision 2.

EFFECTIVE DATE. This section is effective beginning with proposed notices for property taxes payable in 2025.

Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to 25 percent of the areawide levy certified by the commissioner of Iron Range resources and rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board, to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a.

(b) The allocation under paragraph (a) shall only be made after the commissioner of Iron Range resources and rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation and cooperatively operated~~ schools and community development account has insufficient funds to make payments as authorized under section 298.28, subdivision 7a.

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

Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

Subd. 8. **Certification of values; payment.** The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (1), including the school fund allocation within the county and the total tax on contribution value pursuant to subdivision 7, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined and the county's portion of the school fund allocation to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification. On or before June 15 and November 15 of each year, each county treasurer shall pay to the administrative auditor that county's share of the school fund allocation. On or before December 1 of each year, the administrative auditor shall pay the school fund allocation to the commissioner of Iron Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and cooperatively operated~~ schools and community development account.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended to read:

Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

(1) except as provided under paragraph (b), five percent to the city or town within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of the respective operations performed in each taxing district;

(2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282, subdivisions 1 and 2, on the dates provided under this section;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(4) 20 percent to a group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions;

(5) ten percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund;

(9) seven percent to the taconite environmental protection fund; and

(10) ten percent to the commissioner of Iron Range resources and rehabilitation for capital improvements to Giants Ridge Recreation Area.

(b) If the materials or energy resources are mined, extracted, or concentrated in School District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township must each receive ten percent of the amount.

(c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is distributed under this subdivision, ten percent of the total proceeds distributed in each year must first be distributed pursuant to this paragraph. The remaining 90 percent of the total proceeds distributed in each of those years must be distributed as outlined in paragraph (a). Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the amount available under this paragraph, the city of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies only to tax paid by a person engaged in the business of mining within the area described in section 273.1341, clauses (1) and (2).

EFFECTIVE DATE. This section is effective beginning with the 2025 distribution.

Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund an amount equal to that which would

have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund for transfer to the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation regarding the loans. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

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

Sec. 9. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A county may establish a scholarship fund from any unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used at a two-year Minnesota State Colleges and Universities institution, or an accredited skilled trades program, within the county. The county shall establish procedures for applying for and distributing the scholarships.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account that is hereby created:

(1) for distributions beginning in 2015, ten cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3); and

(3) any other amount as provided by law.

(b) Expenditures from this account may be approved as ongoing annual expenditures and shall be made only to provide disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board.

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

Sec. 11. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

Subd. 8. **Range Association of Municipalities and Schools.** ~~30~~ 0.50 cent per taxable ton shall be paid to the Range Association of Municipalities and Schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 12. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended to read:

Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall be transferred to the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under subdivision 7a: for distribution year 2024, \$6,250,000; for distribution year 2025 through distribution year 2029, \$6,500,000; for distribution year 2030 through distribution year 2034, \$5,500,000; for distribution year 2035 and distribution year 2036, \$5,000,000; and for distribution year 2037 through distribution year 2041, \$3,500,000. Any remaining amount of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources and rehabilitation account under subdivision 7. The transfers under this subdivision must be made within ten days of the August payment.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 13. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The distribution to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.

EFFECTIVE DATE. This section is effective beginning with the 2024 distribution.

Sec. 14. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211, including bonds authorized by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

(3) to pay in periodic payments or in a lump-sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made

by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner, after consultation with the advisory board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

(b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite assistance area defined in section 273.1341.

(c) Money devoted to the trust fund under this section shall not be expended, appropriated, or transferred from the trust fund for any purpose except as provided in this section.

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

Sec. 15. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER; BONDS AUTHORIZED IN 2024.

Subdivision 1. Issuance; purpose. (a) Notwithstanding any provision of Minnesota Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs of issuance and to make distributions pursuant this section. The commissioner of Iron Range resources and rehabilitation must distribute these transferred funds as outlined in this section. In order to receive a distribution, a recipient must submit to the commissioner a plan of how the distribution will be spent and the commissioner must ensure that the plan matches the intended use outlined in this section. The plan must be submitted in a form and manner determined by the commissioner. The uses listed are not subject to review or recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient must report to the commissioner how the distribution received under this section was spent. If a recipient's plan is submitted and approved, the commissioner must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this section do not constitute public debt as that term is defined in article XI, section 4 of the Minnesota Constitution, and as such are not subject to its provisions.

(b) If the commissioner of Iron Range resources and rehabilitation determines that available funds, other than through the issuance of bonds pursuant to subdivision 1, shall be used to make grants as provided in subdivision 3, the requirements of subdivision 1, relating to the submission of a plan and report to the commissioner of Iron Range resources and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision 3, relating to the grant amount and identified purpose, shall apply.

(c) Funds under this section are available for four years from the date the bonds are issued. Any unexpended funds after that date cancel to the taconite environmental fund under Minnesota Statutes, section 298.28, subdivision 9b.

Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28, subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a, prior to the calculation of any amount remaining, an amount sufficient to pay when due the principal and interest on the bonds issued pursuant to subdivision 1.

(b) If in any year the amount available under paragraph (a) is insufficient to pay principal and interest due on the bonds in that year, an additional amount is appropriated from the Douglas J. Johnson economic protection trust fund to make up the deficiency.

(c) The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of Iron Range resources and rehabilitation must not use any amount of the appropriation under this subdivision for administrative costs.

Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must distribute funds available for distribution under subdivision 1 for the following uses:

(1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a playground;

(2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

(3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and construction of a new fire and training hall and related equipment;

(4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur Country ATV in the city of Orr;

(5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to construct, furnish, and equip a solid waste transfer station in the county;

(6) \$1,255,000 to the Northland Learning Center for construction costs;

(7) \$2,720,000 to the city of Chisholm, of which \$1,520,000 must be used for the renovation of the Chisholm Ice Arena facility and parking and the remaining amount must be used for the public safety works;

(8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

(9) \$360,000 to the city of Biwabik for housing infrastructure;

(10) \$3,000,000 to the city of Tower for water management infrastructure projects;

(11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct publicly owned infrastructure including sewers, water systems, utility extensions, street construction, wastewater treatment, stormwater management systems, sidewalks, and compliance with the Americans with Disabilities Act;

(12) \$2,000,000 to St. Louis County for the development of the Canyon Integrated Solid Waste Management Campus;

(13) \$3,890,000 to the city of Eveleth to design, engineer, and construct public utilities in its business park and construction of the Hat Trick Avenue slip ramp;

(14) \$700,000 to the city of Meadowlands for costs related to park improvements and a community center;

(15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must be used for septic system upgrades at South Ridge School and \$200,000 must be used for cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School in Tower;

(16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and Trail restoration;

(17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

(18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate, furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research funding;

(19) \$4,200,000 to the commissioner of Iron Range resources and rehabilitation for the design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and for the design, engineering, demolition, and construction of a nordic and welcome center at the Giants Ridge Recreation Area;

(20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;

(21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;

(22) \$200,000 to Cook County Higher Education Board for costs to bring commercial drivers' licenses and trades training to the region along with educational training and academic support to remote populations;

(23) \$200,000 to Save Our Ship, Inc., for renovation costs;

(24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;

(25) \$400,000 to Veterans On The Lake for demolition of existing structures and the building of a triplex that is compliant with the Americans with Disabilities Act;

(26) \$350,000 to the city of Eveleth for the Hippodrome renovation;

(27) \$500,000 to the Great Expectations School Foundation in Cook County for school facilities construction;

(28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer, purchase land, and develop the Sportsperson Training and Development Center;

(29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and hydrology study of the lakes, for regulatory and community outreach, and for preparing recommendations to the commissioner of natural resources related to bank stabilization and maintenance;

(30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount \$100,000 is available each year in calendar years 2025, 2026, and 2027;

(31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;

(32) \$350,000 to the East Range Developmental Achievement Center for building renovations;

(33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts that were economically damaged by floods that occurred in 2022 or 2023 and which are eligible under article 5 of the Canadian border counties economic relief program, or (ii) outfitters in the border region who experienced either more than a 50 percent reduction in Boundary Waters Canoe Area Wilderness permits obtained by their customers between 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000, must be located within the taconite assistance area, as defined under Minnesota Statutes, section 273.1341, and must not have received a grant under the Canadian border counties economic relief program. The Northland Foundation may retain up to four percent of the amount under this clause for administration;

(34) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson Community Center;

(35) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility upgrades and programs;

(36) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

(37) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility and its displays in Tower;

(38) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

(39) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

(40) \$2,625,000 to the commissioner of Iron Range resources and rehabilitation to create a mountain bike system in northern St. Louis County;

(41) \$150,000 to the Lake Superior School District to support an emergency preparedness career introduction program;

(42) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's parks;

(43) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;

(44) \$500,000 to the Arrowhead Economic Opportunity Agency to design, engineer, acquire land, and start construction of a new facility in Hibbing to meet the needs of the population on the west end of the Mesabi Iron Range;

(45) \$500,000 to Lone Pine Township to design, engineer, and begin construction for its sewage treatment plan in partnership with the city of Nashwauk; and

(46) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

(b) Of the amount under paragraph (a), clause (46), grants of \$25,000 to be used for trail grooming costs or equipment must be made available to the following entities:

(1) Alborn Dirt Devils ATV Club;

(2) Wild Country ATV Club;

(3) Ely Igloo Snowmobile Club;

(4) CC Riders Snowmobile Club;

(5) PathBlazers Snowmobile Club;

(6) Cook Timberwolves Snowmobile Club;

(7) Crane Lake Voyageurs Club;

(8) Pequaywan Area Trail Blazers Snowmobile Club;

(9) Eveleth Trail Hawks Snowmobile Club;

(10) Ranger Snowmobile/ATV Club;

(11) Silver Trail Riders Snowmobile and ATV Club;

(12) Voyageur Snowmobile Club;

(13) Mesabi Sno Voyageurs;

(14) Quad Cities ATV Club;

(15) Prospector ATV Club;

(16) Northern Traxx ATV Club;

(17) Finland Snowmobile and ATV Club;

(18) Babbitt ATV and Snowmobile Club;

(19) Cook County ATV Club; and

(20) Vermilion Penguins Snowmobile Club.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money distributed under this subdivision, the commissioner of Iron Range resources and rehabilitation must not use any amount for administrative uses.

EFFECTIVE DATE. This section is effective the day following final enactment and applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

Sec. 16. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER; BONDS AUTHORIZED IN 2025.

Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$31,000,000 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs of issuance and to make distributions pursuant to this section. The commissioner of Iron Range resources and rehabilitation must distribute these transferred funds as outlined in this section. In order to receive a distribution, a recipient must submit to the commissioner a plan of how the distribution will be spent and the commissioner must ensure that the plan matches the intended use outlined in this section. The plan must be submitted in a form and manner determined by the commissioner. The uses listed are not subject to review or recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2026, each recipient must report to the commissioner how the distribution received under this section was spent. If a recipient's plan is submitted and approved, the commissioner must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this section do not constitute public debt as that term is defined in Article XI, section 4 of the Minnesota Constitution, and as such are not subject to its provisions.

(b) If the commissioner of Iron Range resources and rehabilitation determines that available funds, other than through the issuance of bonds pursuant to subdivision 1, shall be used to make grants as provided in subdivision 3, the requirements of subdivision 1, relating to the submission of a plan and report to the commissioner of Iron Range resources and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision 3, relating to the grant amount and identified purpose, shall apply.

(c) Funds under this section are available for four years from the date the bonds are issued. Any unexpended funds after that date cancel to the taconite environmental fund under Minnesota Statutes, section 298.28, subdivision 9b.

Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28, subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a, prior to the calculation of any amount remaining, an amount sufficient to pay when due the principal and interest on the bonds issued pursuant to subdivision 1.

(b) If in any year the amount available under paragraph (a) is insufficient to pay principal and interest due on the bonds in that year, an additional amount is appropriated from the Douglas J. Johnson economic protection trust fund to make up the deficiency.

(c) The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of Iron Range resources and rehabilitation must not use any amount of the appropriation under this subdivision for administrative costs.

Subd. 3. **Grants.** The commissioner of Iron Range resources and rehabilitation must distribute funds available for distribution under subdivision 1 for the following uses:

(1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research funding;

(2) \$5,800,000 to the commissioner of Iron Range resources and rehabilitation for the design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and for the design, engineering, demolition, and construction of a nordic and welcome center at the Giants Ridge Recreation Area;

(3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

(4) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of the James Madison Elementary School in Virginia;

(5) \$500,000 to the city of Buhl for infrastructure projects;

(6) \$2,300,000 to St. Louis and Lake Counties Regional Railroad Authority to design, engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt Lakes;

(7) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not limited to Enterprise Drive North East infrastructure development, water main and other infrastructure in the city, waste water plant improvements to comply with new permits, supervisory control and data acquisition on lift stations, and recreation projects;

(8) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct publicly owned infrastructure including sewers, water systems, utility extensions, street construction, wastewater treatment, stormwater management systems, sidewalks, and compliance with the Americans with Disabilities Act;

(9) \$5,000,000 to Independent School District No. 696, Ely, for planning, design, engineering, demolition, and construction related to the district's athletic complex;

(10) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning Center on the campus in the city of Mountain Iron;

(11) \$1,000,000 for the city of Biwabik for a public safety facility;

(12) \$1,770,000 to Hibbing Public Utilities for water infrastructure projects;

(13) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes; and

(14) \$1,500,000 to the city of Babbitt for renovations to the ice arena.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money distributed under this subdivision, the commissioner of Iron Range resources and rehabilitation must not use any amount for administrative uses.

EFFECTIVE DATE. This section is effective the day following final enactment and applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

Sec. 17. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC DEVELOPMENT FUND.

Of the funds distributed to the taconite economic development fund under Minnesota Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to \$300,000 shall be transferred from the taconite economic development fund to the city of Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made within ten days of the August 2024 payment. If less than \$300,000 is distributed to the taconite economic development fund in 2024, distributions to the fund in future years must be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount transferred equals \$300,000.

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

ARTICLE 4

SALES AND USE TAXES, GROSS RECEIPTS TAXES, AND EXCISE TAXES

Section 1. [270C.155] 2024 SALES TAX REFUND ACCOUNT.

Subdivision 1. **Account creation.** The 2024 sales tax refund account is created in the special revenue fund. Any amount remaining in the 2024 sales tax refund account on July 1, 2029, cancels to the general fund.

Subd. 2. **Expiration.** This section expires July 1, 2029.

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

Sec. 2. Minnesota Statutes 2022, section 295.53, subdivision 4a, is amended to read:

Subd. 4a. **Credit for research.** (a) In addition to the exemptions allowed under subdivision 1, a hospital or health care provider may claim an annual credit against the total amount of tax, if any, the hospital or health care provider owes for that calendar year under sections 295.50 to 295.57. The credit shall equal ~~2.5~~ 0.50 percent of revenues for patient services used to fund expenditures for qualifying research conducted by an allowable research program. The amount of the credit shall not exceed the tax liability of the hospital or health care provider under sections 295.50 to 295.57.

(b) For purposes of this subdivision, the following requirements apply:

(1) expenditures must be for program costs of qualifying research conducted by an allowable research program;

(2) an allowable research program must be a formal program of medical and health care research conducted by an entity which is exempt under section 501(c)(3) of the Internal Revenue Code as defined in section 289A.02, subdivision 7, or is owned and operated under authority of a governmental unit;

(3) qualifying research must:

(A) be approved in writing by the governing body of the hospital or health care provider which is taking the deduction under this subdivision;

(B) have as its purpose the development of new knowledge in basic or applied science relating to the diagnosis and treatment of conditions affecting the human body;

(C) be subject to review by individuals with expertise in the subject matter of the proposed study but who have no financial interest in the proposed study and are not involved in the conduct of the proposed study; and

(D) be subject to review and supervision by an institutional review board operating in conformity with federal regulations if the research involves human subjects or an institutional animal care and use committee operating in conformity with federal regulations if the research involves animal subjects. Research expenses are not exempt if the study is a routine evaluation of health care methods or products used in a particular setting conducted for the purpose of making a management decision. Costs of clinical research activities paid directly for the benefit of an individual patient are excluded from this exemption. Basic research in fields including biochemistry, molecular biology, and physiology are also included if such programs are subject to a peer review process.

(c) No credit shall be allowed under this subdivision for any revenue received by the hospital or health care provider in the form of a grant, gift, or otherwise, whether from a government or nongovernment source, on which the tax liability under section 295.52 is not imposed.

(d) The taxpayer shall apply for the credit under this section on the annual return under section 295.55, subdivision 5.

~~(e) Beginning September 1, 2001, if the actual or estimated amount paid under this section for the calendar year exceeds \$2,500,000, the commissioner of management and budget shall determine the rate of the research credit for the following calendar year to the nearest one-half percent so that refunds paid under this section will most closely equal \$2,500,000. The commissioner of management and budget shall publish in the State Register by October 1 of each year the rate of the credit for the following calendar year. A determination under this section is not subject to the rulemaking provisions of chapter 14.~~

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 40, is amended to read:

Subd. 40. **Safety devices; firearm storage units.** (a) Safety devices and secure firearm storage units are exempt. For the purposes of this subdivision:

(1) "safety device" has the meaning given in United States Code, title 18, section 921(a)(34)(A);

(2) "secure firearm storage unit" means a container that is fully enclosed and locked by a padlock, keylock, combination lock, or similar locking device, and is either specifically designed for the safe storage of firearms or sold for that purpose by a federally licensed firearms dealer; and

~~(2)~~ (3) "firearm" has the meaning provided in section 97A.015, subdivision 19.

(b) The seller of a safety device or secure firearm storage unit must neither collect, nor transmit to any private or public entity, any personal data of or information about a purchaser resulting from a sale eligible for the exemption under this subdivision.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2024.

Sec. 4. Minnesota Statutes 2022, section 297A.68, subdivision 42, is amended to read:

Subd. 42. **Qualified Data centers.** (a) Purchases of enterprise information technology equipment and computer software for use in a qualified data center, ~~or a qualified refurbished data center, or a qualified large-scale data center~~ are exempt, except that computer software maintenance agreements are exempt for purchases made after June 30, 2013. ~~The tax on purchases exempt under this paragraph must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded after June 30, 2013, in the manner provided in section 297A.75.~~ This exemption includes enterprise information technology equipment and computer software purchased to replace or upgrade enterprise information technology equipment and computer software in a qualified data center, ~~or a qualified refurbished data center, or a qualified large-scale data center.~~

(b) For a qualified data center or qualified refurbished data center, the tax on purchases exempt under paragraph (a) must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.

(c) For a qualified large-scale data center, the exemption under paragraph (a) applies at the time of purchase, subject to the requirements of paragraphs (m) and (o) to (q).

~~(b)~~ (d) Electricity used or consumed in the operation of a qualified data center ~~or, qualified refurbished data center, or qualified large-scale data center~~ is exempt.

~~(c)~~ (e) For purposes of this subdivision, "qualified data center" means a facility in Minnesota:

(1) that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$30,000,000 within a 48-month period. The 48-month period begins no sooner than July 1, 2012, except that costs for computer software maintenance agreements

purchased before July 1, 2013, are not included in determining if the \$30,000,000 threshold has been met;

(2) that is constructed or substantially refurbished after June 30, 2012, where "substantially refurbished" means that at least 25,000 square feet have been rebuilt or modified, including:

(i) installation of enterprise information technology equipment; environmental control, computer software, and energy efficiency improvements; and

(ii) building improvements; and

(3) that is used to house enterprise information technology equipment, where the facility has the following characteristics:

(i) uninterruptible power supplies, generator backup power, or both;

(ii) sophisticated fire suppression and prevention systems; and

(iii) enhanced security. A facility will be considered to have enhanced security if it has restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

In determining whether the facility has the required square footage, the square footage of the following spaces shall be included if the spaces support the operation of enterprise information technology equipment: office space, meeting space, and mechanical and other support facilities. For purposes of this subdivision, "computer software" includes, but is not limited to, software utilized or loaded at a qualified data center ~~or~~ qualified refurbished data center, or qualified large-scale data center, including maintenance, licensing, and software customization.

~~(d)~~ (f) For purposes of this subdivision, a "qualified refurbished data center" means an existing facility that qualifies as a data center under paragraph ~~(e)~~ (e), clauses (2) and (3), but that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$50,000,000 within a 24-month period.

~~(e)~~ (g) For purposes of this subdivision, "enterprise information technology equipment" means computers and equipment supporting computing, networking, or data storage, including servers and routers. It includes, but is not limited to: cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of a qualified data center or qualified refurbished data center, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the qualified data center ~~or~~ qualified refurbished data center, or qualified large-scale data center.

(h) For purposes of this subdivision, "qualified large-scale data center" means a facility in Minnesota:

(1) that is comprised of one or more buildings connected to each other by fiber and associated equipment that consist in the aggregate of at least 25,000 square feet, and that are located in one physical location or multiple locations; and

(2) for which the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$250,000,000 collectively by the facility and its tenants within a 60-month period beginning after June 30, 2024.

~~(f)~~ (i) A qualified data center ~~or~~, qualified refurbished data center, or qualified large-scale data center may claim the exemptions in this subdivision for purchases made either within 20 years of the date of its first purchase qualifying for the exemption under paragraph (a), or by June 30, 2042, whichever is earlier.

~~(g) The purpose of this exemption is to create jobs in the construction and data center industries.~~

~~(h)~~ (j) This subdivision is effective for sales and purchases made before July 1, 2042.

~~(i)~~ (k) The commissioner of employment and economic development must certify to the commissioner of revenue, in a format approved by the commissioner of revenue, when a qualified data center has met the requirements under paragraph ~~(e)~~ or (e), or a qualified refurbished data center has met the requirements under paragraph ~~(d)~~ (f). The certification must provide the following information regarding each qualified data center or qualified refurbished data center:

(1) the total square footage amount;

(2) the total amount of construction or refurbishment costs and the total amount of qualifying investments in enterprise information technology equipment and computer software;

(3) for a qualified data center or qualified refurbished data center, the beginning and ending of the applicable period under either paragraph ~~(e)~~ (e) or ~~(d)~~ (f) in which the qualifying expenditures and purchases under clause (2) were made, but in no case shall the period begin before July 1, 2012; and

(4) the date upon which the qualified data center first met the requirements under paragraph ~~(e)~~ (e), or a qualified refurbished data center first met the requirements under paragraph ~~(d)~~ (f).

~~(j)~~ (l) Any refund for sales tax paid on qualifying purchases under ~~this subdivision~~ paragraph (b) must not be issued unless the commissioner of revenue has received the certification required under paragraph ~~(i)~~ (k) issued by the commissioner of employment and economic development.

(m) The exemption under paragraph (c) applies only if an entity seeking the exemption certifies to the commissioner of employment and economic development that it will meet the requirements of paragraph (h) before making any qualifying purchases. The certification must be made in the form and manner prescribed by the commissioner of employment and economic development, in consultation with the commissioner. The commissioner of employment and economic development must examine the information provided in the certification and notify the commissioner within 30 days whether it has verified the information. The notification must include an estimate of the beginning and ending of the period for which sales and purchases are exempt under paragraph (c). The commissioner must then notify the entity seeking the exemption under paragraph (c) within ten

days of the determination by the commissioner of employment and economic development and, if applicable, confirm that the exemption under paragraph (c) applies. Purchases made before the commissioner has notified the entity of the determination by the commissioner of employment and economic development do not qualify for the exemption under paragraph (c), but may be eligible to qualify for the exemption under paragraph (b).

~~(k)~~ (n) The commissioner of employment and economic development must annually notify the commissioner of revenue of the qualified data centers that are projected to meet the requirements under paragraph ~~(e)~~(e) and the qualified refurbished data centers that are projected to meet the requirements under paragraph ~~(d)~~(f) and qualified large-scale data centers that are projected to meet the requirements under paragraph (h) in each of the next four years. The notification must provide the information required under paragraph ~~(i)~~(k), clauses (1) to (4), for each qualified data center or qualified refurbished data center.

(o) Laborers and mechanics performing work to construct or refurbish qualified data centers, qualified refurbished data centers, and qualified large-scale data centers must be paid the prevailing-wage rate for the work as defined in section 177.42, subdivision 6. Work performed to construct or refurbish qualified data centers, qualified refurbished data centers, and qualified large-scale data centers is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For purposes of this paragraph, "refurbish" does not include maintenance or equipment refreshment or replacement.

(p) Within three years after being placed in service, a qualified large-scale data center must certify to the commissioner of employment and economic development that the facility has attained certification under one or more of the following sustainable design or green building standards:

(1) BREEAM for new construction or BREEAM in-use;

(2) Energy Star;

(3) Envision;

(4) ISO 50001-energy management;

(5) LEED for building design and construction or LEED for operations and maintenance;

(6) green globes for new construction or green globes for existing buildings;

(7) UL 3223; or

(8) other reasonable standards approved by the commissioner of employment and economic development.

(q) Notwithstanding section 289A.38, subdivision 1, the amount of the exemption allowed under paragraph (c) must be repaid to the commissioner if the commissioner of employment and economic development determines that a qualified large-scale data center has not met the requirements under paragraph (p). Nothing in this paragraph prohibits the commissioner from making an assessment of tax, interest, or penalties if the commissioner determines that sales to and purchases made by a qualified large-scale data center do not qualify for the exemption under paragraph (c).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2024.

Sec. 5. Minnesota Statutes 2022, section 297A.70, subdivision 19, is amended to read:

Subd. 19. **Nonprofit snowmobile clubs; machinery and equipment.** (a) The following sales to an eligible nonprofit snowmobile club are exempt:

(1) sales of tangible personal property to a nonprofit snowmobile club, including grooming machines, attachments, other associated accessories, and repair parts, that is used primarily and directly for the grooming of state or grant-in-aid snowmobile trails are exempt. The exemption applies to grooming machines, attachments, other associated accessories, and repair parts; and

(2) sales of materials and supplies used or consumed in, and equipment incorporated into, the construction, reconstruction, maintenance, or improvement of state or grant-in-aid snowmobile trails, completed by the nonprofit snowmobile club.

(b) A nonprofit snowmobile club is eligible for the exemption under this subdivision if it received, in the current year or in the previous three-year period, a state grant-in-aid maintenance and grooming grant administered by the Department of Natural Resources by applying for the grant with a local unit of government sponsor.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2024.

Sec. 6. Minnesota Statutes 2022, section 297A.75, subdivision 1, as amended by Laws 2024, chapter 85, section 95, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

(11) enterprise information technology equipment and computer software for use in a qualified data center or qualified refurbished data center exempt under section 297A.68, subdivision 42, paragraph (b);

(12) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

(13) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

(14) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(15) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(16) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; and

(17) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2024.

Sec. 7. Minnesota Statutes 2022, section 297F.01, subdivision 10b, is amended to read:

Subd. 10b. **Moist snuff.** "Moist snuff" means any finely cut, ground, or powdered smokeless tobacco, or similar product containing nicotine, that is intended to be placed or dipped in the mouth.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 297F.01, subdivision 19, is amended to read:

Subd. 19. **Tobacco products.** (a) "Tobacco products" means any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product, including, but not limited to, cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts; refuse scraps, clippings,

cuttings and sweepings of tobacco, and other kinds and forms of tobacco; but does not include cigarettes as defined in this section. Tobacco products includes nicotine solution products and moist snuff. Tobacco products excludes any tobacco product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

(b) Except for the imposition of tax under section 297F.05, subdivisions 3 and 4, tobacco products includes a premium cigar, as defined in subdivision 13a.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 609.902, subdivision 4, is amended to read:

Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section ~~297D.09~~; 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a), clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528, if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 10. Laws 2023, chapter 64, article 5, section 25, subdivision 1, is amended to read:

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water treatment plant and trunk water main improvements in the city of Ramsey are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2022, and before July 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2023, and before July 1, 2027.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2022, and before July 1, 2027.

Sec. 11. ADRIAN INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the following projects in Independent School District No. 511, Adrian, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after March 31, 2024, and before September 1, 2025:

(1) secondary building roofing; and

(2) elementary building roofing.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$4,999.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after March 31, 2024, and before September 1, 2025.

Sec. 12. CITY OF APPLE VALLEY; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Central Maintenance Facility in the city of Apple Valley are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after February 29, 2024, and before July 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$540,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after February 29, 2024, and before July 1, 2028.

Sec. 13. BECKER PUBLIC SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction and renovation projects for Becker Early Childhood, Becker Primary School, Becker Intermediate School, Becker Middle School, Becker High School, Becker Transportation Building, and the Becker Multi-Purpose Athletic Facility in Independent School District No. 726, Becker, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,180,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2026.

Sec. 14. BIG LAKE INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction and renovation projects for Big Lake Liberty Elementary School, Big Lake Independence Elementary School, Big Lake Middle School, and Big Lake High School in Independent School District No. 727, Big Lake, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$780,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2025.

Sec. 15. BROWERVILLE PUBLIC SCHOOLS; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in Independent School District No. 787, Browerville Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before January 1, 2026:

(1) renovations to the prekindergarten through grade 12 school building; and

(2) construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$580,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.

Sec. 16. CITY OF BURNSVILLE; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new city hall in the city of Burnsville are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2024, and before July 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$760,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for sales and purchases made after December 31, 2024, and before July 1, 2028.

Sec. 17. CANBY INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects in the elementary and high schools in Independent School District No. 891, Canby, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2023, and before January 1, 2026:

- (1) a new gymnasium with improved community access;
- (2) career technical education space addition;
- (3) HVAC upgrades;
- (4) a new eight-lane track;
- (5) athletic field improvements and upgrades;
- (6) stadium seating and press box renovations;
- (7) secure entrance upgrades for both schools with associated administrative office relocations;
- (8) renovations to existing locker rooms;
- (9) classroom renovations;
- (10) site drainage; and
- (11) other associated renovations.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$860,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.

Sec. 18. CASS LAKE-BENA INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction and equipping of a new elementary school, and the construction of improvements to repurpose and remodel the existing elementary school facility for use as an early childhood and preschool site, alternative learning center, and district service center in Independent School District No. 115, Cass Lake-Bena, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30, 2023, and before October 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$980,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2023, and before October 1, 2025.

Sec. 19. CITY OF CHANHASSEN; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Chanhassen Bluffs Sports Complex in the city of Chanhassen are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after August 31, 2025, and before October 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,480,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for sales and purchases made after August 31, 2025, and before October 1, 2026.

Sec. 20. CITY OF COLUMBIA HEIGHTS; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the city hall facility in the city of Columbia Heights are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after August 31, 2021, and before April 1, 2024.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$220,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after August 31, 2021, and before April 1, 2024.

Sec. 21. CITY OF DELANO; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of an ice rink in the city of Delano are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after November 30, 2023, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$310,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after November 30, 2023, and before January 1, 2026.

Sec. 22. CITY OF EDINA; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling relating to the following projects in the city of Edina are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before July 1, 2028:

(1) development of Fred Richards Park as identified in the Fred Richards Park Master Plan; and

(2) improvements to Braemar Park as identified in the Braemar Park Master Plan.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$870,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2028.

Sec. 23. ELLSWORTH INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the following projects in Independent School District No. 514, Ellsworth, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2024, and before October 1, 2025:

(1) replacement of a boiler system with a heating and cooling HVAC system;

(2) replacement of windows in the elementary wing;

(3) replacement of the gym roof and shop roof;

(4) replacement of fuel oil with propane for the new HVAC system;

(5) installation of a new electrical system for the new HVAC system;

(6) building tuckpointing; and

(7) renovation of the bus garage.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$160,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for sales and purchases made after December 31, 2024, and before October 1, 2025.

Sec. 24. CITY OF GRAND RAPIDS; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the IRA Civic Center in the city of Grand Rapids are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after June 30, 2021, and before July 1, 2024.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$580,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2021, and before July 1, 2024.

Sec. 25. HERON LAKE-OKABENA INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of school building updates including roof replacement, concrete work, tuckpointing, windows, flooring, bus garage doors, Heron Lake doors, bathroom fixtures and upgrades, and pool filter replacement in Independent School District No. 330, Heron Lake-Okabena, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after May 31, 2024, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$100,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for sales and purchases made after May 31, 2024, and before January 1, 2025.

Sec. 26. **HILLS-BEAVER CREEK INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of a new elementary school and parking lot, and repairs to a gymnasium, locker rooms, a vehicle garage, and a bus garage building in Independent School District No. 671, Hills-Beaver Creek, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after February 29, 2024, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$880,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after February 29, 2024, and before January 1, 2026.

Sec. 27. **ITASCA COUNTY; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the Itasca County courthouse are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after April 30, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$470,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after April 30, 2021, and before January 1, 2025.

Sec. 28. LAKE SUPERIOR SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in Independent School District No. 381, Lake Superior School District, are exempt from sales and use tax imposed under applicable statutes if materials, supplies, and equipment are purchased after December 31, 2022, and before January 1, 2026:

- (1) an addition and improvements to Minnehaha Elementary School;
- (2) an addition and improvements to William Kelly School;
- (3) improvements to Two Harbors High School;
- (4) improvements to or replacement of the Two Harbors Bus Garage and Silver Bay Bus Garage;
- and
- (5) improvements to athletic facilities.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after January 1, 2026.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,320,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2022, and before January 1, 2026.

Sec. 29. LE SUEUR-HENDERSON SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a new elementary school in Independent School District No. 2397, Le Sueur-Henderson, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 31, 2023, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$930,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after May 31, 2023, and before January 1, 2025.

Sec. 30. MARTIN COUNTY WEST INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of a new prekindergarten through grade 12 school building in Independent School District No. 2448, Martin County West, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after September 30, 2025, and before January 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$2,280,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for sales and purchases made after September 30, 2025, and before January 1, 2027.

Sec. 31. CITY OF PLYMOUTH; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects relating to the City Center revitalization project in the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before July 1, 2028:

(1) construction of a public parking ramp;

(2) renovation of Plymouth Boulevard;

- (3) expansion of the Plymouth Ice Center;
- (4) construction of regional stormwater ponding;
- (5) roadway realignment; and
- (6) expansion of the Plymouth Community Center.

(b) Materials and supplies used or consumed in and equipment incorporated into the renovation of the Zachary Water Treatment Plant and the renovation of Meadows Playfield in the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before July 1, 2028.

(c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$620,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2028.

Sec. 32. **CITY OF ROCHESTER; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the construction of a sports and recreation complex in the city of Rochester are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30, 2023, and before July 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,320,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2023, and before July 1, 2028.

Sec. 33. **ROUND LAKE-BREWSTER INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of a three-story school building project in Independent School District No. 2907, Round Lake-Brewster, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before September 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$870,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before September 1, 2026.

Sec. 34. **RUSSELL TYLER RUTHTON INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of a prekindergarten through grade 12 school building and athletic field in Independent School District No. 2902, Russell Tyler Ruthton, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2019, and before January 1, 2024.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after December 31, 2019, and before October 1, 2020, may be filed until January 1, 2025.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,590,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2019, and before January 1, 2024.

Sec. 35. CITY OF SPRING LAKE PARK; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a city hall facility in the city of Spring Lake Park are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2023, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$360,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before January 1, 2026.

Sec. 36. ST. CLAIR SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling relating to the following projects in Independent School District No. 75, St. Clair Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after October 31, 2021, and before November 1, 2025:

(1) construction of new classrooms and playgrounds; and

(2) improvements to roofs, parking lots, mechanical systems, and athletic spaces.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$350,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after October 31, 2021, and before November 1, 2025.

Sec. 37. TRACY AREA INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of Tracy Elementary, Tracy High School, and Tracy Kids World in Independent School District No. 2904, Tracy, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2022, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$650,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2022, and before January 1, 2025.

Sec. 38. CITY OF WATERTOWN; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water tower in the city of Watertown are exempt from sales and use tax under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after April 30, 2024, and before February 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$140,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after April 30, 2024, and before February 1, 2026.

Sec. 39. WINDOM INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction of facility roofing projects and HVAC upgrades, athletic track replacement, and outdoor athletic complex improvements in Independent School District No. 177, Windom, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after June 30, 2024, and before January 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$870,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2024, and before January 1, 2027.

Sec. 40. CITY OF WOODBURY; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.

Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a water treatment facility, including water pipeline infrastructure and associated improvements, funded by the city of Woodbury are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after January 31, 2024, and before July 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$2,070,000.

Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after January 31, 2024, and before July 1, 2028.

Sec. 41. **WORTHINGTON INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the following projects in Independent School District No. 518, Worthington, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after April 30, 2020, and before January 1, 2028:

(1) construction of a new grades 3 through 5 intermediate school building;

(2) construction of a new community education building to serve early childhood, adult basic education, and the Nobles County Integration Collaborative programs;

(3) construction of a new storage facility to serve the Worthington Intermediate School, Worthington Learning Center and gymnastics facility, and Worthington Community Education building;

(4) reconstruction and replacement of the parking lot at the Worthington Middle School;

(5) construction of an addition to the Worthington High School and remodeling of existing space and expansion of core areas;

(6) construction of a new ice arena with associated event space;

(7) installation of a turf football field at the Worthington Middle School;

(8) demolition of the former West Elementary building and construction of sports fields with associated parking;

(9) reconstruction of Trojan Field and associated facilities; and

(10) improvements to the Worthington Learning Center and gymnastics facility.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after April 30, 2020, and before October 1, 2020, may be filed until January 1, 2025.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$2,840,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after April 30, 2020, and before January 1, 2028.

Sec. 42. CITY OF DULUTH AND CITY OF ELY; HOUSING DEVELOPMENT PROJECTS SALES AND USE TAX EXEMPTION.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of the following projects in the city of Duluth and the city of Ely are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2023, and before July 1, 2026:

- (1) an apartment development that includes at least 50 units;
- (2) a condominium development that includes at least 25 units; and
- (3) a townhome development that includes at least ten units.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied. A refund equal to the tax paid on the gross receipts of items exempt under this section must be paid to the applicant. The applicant must be the owner of the development project described in paragraph (a), clauses (1) to (3). The application must include sufficient information to permit the commissioner of revenue to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items. The provisions of Minnesota Statutes, sections 289A.40 and 289A.50, apply to refunds under this section. Refunds for eligible purchases must not be issued until after June 30, 2025.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$3,890,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2023, and before July 1, 2026.

Sec. 43. CITY OF ST. CLOUD; REDEVELOPMENT DISTRICT SALES AND USE TAX EXEMPTION.

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into private redevelopment projects on parcels listed in paragraph (b) are exempt, provided the resulting development is subject to property taxes.

(b) The exemption in this section applies to the following parcels, and adjacent roads and right of ways, with the tax identification numbers:

(1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001 (Former Herberger's); and

(2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site); 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601; 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

(c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied. A refund equal to the tax paid on the gross receipts of items exempt under this section must be paid to the applicant. The applicant must be the owner of the development described in paragraph (b), clauses (1) and (2). The application must include sufficient information to permit the commissioner of revenue to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(d) The exemption under this section applies only for sales and purchases made after May 31, 2024, and before June 1, 2026.

Subd. 2. **Appropriation; limit on refunds.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue. The commissioner must not pay more than \$3,060,000 in refunds for purchases exempt under this section. Refunds must be processed and issued in the order that complete and accurate applications are received by the commissioner.

EFFECTIVE DATE. This section is effective for sales and purchases made after May 31, 2024, and before June 1, 2026.

Sec. 44. **TRANSFER.**

\$33,910,000 in fiscal year 2024 is transferred from the general fund to the 2024 sales tax refund account established under Minnesota Statutes, section 270C.155. This is a onetime transfer.

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

Sec. 45. **REPEALER.**

(a) Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1 and 2; 297D.12; and 297D.13, are repealed.

(b) Minnesota Statutes 2023 Supplement, sections 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; and 297D.11, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2024.

ARTICLE 5

TAX INCREMENT FINANCING

Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter 112, article 11, section 16, is amended to read:

Sec. 22. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.

(a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax increment financing plan for a district, the rules under this section apply to a redevelopment tax increment financing district established by the city or an authority of the city. The redevelopment tax increment district includes parcels within the area bounded on the east by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama Street, on the west by Llama Street, and on the south by a line running parallel to and 600 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County Regional Park property in its entirety. A parcel within this area that is included in a tax increment financing district that was certified before the date of enactment of this act may be included in the district created under this act if the initial district is decertified.

(b) The requirements for qualifying a redevelopment tax increment district under Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located within the district.

(c) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district. Eligible expenditures within the district include but are not limited to (1) the city's share of the costs necessary to provide for the construction of the Northstar Transit Station and related infrastructure, including structured parking, a pedestrian overpass, and roadway improvements, (2) the cost of land acquired by the city or the housing and redevelopment authority in and for the city of Ramsey within the district prior to the establishment of the district, and (3) the cost of public improvements installed within the tax increment financing district prior to the establishment of the district.

(d) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is considered to be met for the district if the activities were undertaken within ten years from the date of certification of the district.

(e) Except for administrative expenses, the in-district percentage for purposes of the restriction on pooling under Minnesota Statutes, section 469.1763, subdivision 2, for this district is 100 percent.

(f) The requirement of Minnesota Statutes, section 469.177, subdivision 4, does not apply to Parcels 28-32-25-42-0021 and 28-32-25-41-0014, where development occurred after enactment of Laws 2010, chapter 389, article 7, section 22, and prior to adoption of the tax increment financing plan for the district.

(g) The requirement of Minnesota Statutes, section 469.178, subdivision 7, paragraph (b), is considered to be met for the district if the city adopts interfund loan resolutions reflecting the terms and conditions required by Minnesota Statutes, section 469.178, subdivision 7, paragraph (d), by December 31, 2024.

EFFECTIVE DATE. This section is effective the day after the city of Ramsey and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 2. Laws 2014, chapter 308, article 6, section 9, as amended by Laws 2017, First Special Session chapter 1, article 6, section 12, is amended to read:

Sec. 9. CITY OF MAPLE GROVE; TAX INCREMENT FINANCING DISTRICT.

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

(b) "City" means the city of Maple Grove.

(c) "Project area" means all or a portion of the area in the city commencing at a point 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23, thence south along said west line a distance of 1,200 feet; thence easterly to the east line of Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1, Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence South along the east line of said Outlot A and its southerly extension to the south right-of-way line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of Section 24; thence South along said east line to the north line of the South Half of the Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way line of Jefferson Highway North; thence southerly along the westerly right-of-way line of Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the westerly right-of-way line of State Highway 169 and the northerly right-of-way line of Interstate 694 to its intersection with the southerly extension of the easterly right-of-way line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning and there terminating, provided that the project area includes the rights-of-way for all present and future highway interchanges abutting the area described in this paragraph, and may include any additional property necessary to cause the property included in the tax increment financing district to consist of complete parcels.

(d) "Soil deficiency district" means a type of tax increment financing district consisting of a portion of the project area in which the city finds by resolution that the following conditions exist:

(1) unusual terrain or soil deficiencies that occurred over 80 percent of the acreage in the district require substantial filling, grading, or other physical preparation for use; and

(2) the estimated cost of the physical preparation under clause (1), but excluding costs directly related to roads as defined in Minnesota Statutes, section 160.01, and local improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses (1) to (7), (11), and (12), and 430.01, exceeds the fair market value of the land before completion of the preparation.

Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment financing plan for a district, the rules under this section apply to a redevelopment district, renewal and renovation district, soil condition district, or soil deficiency district established by the city or a development authority of the city in the project area.

(b) Prior to or upon the adoption of the first tax increment plan subject to the special rules under this subdivision, the city must find by resolution that parcels consisting of at least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way, are characterized by one or more of the following conditions:

(1) peat or other soils with geotechnical deficiencies that impair development of commercial buildings or infrastructure;

(2) soils or terrain that require substantial filling in order to permit the development of commercial buildings or infrastructure;

(3) landfills, dumps, or similar deposits of municipal or private waste;

(4) quarries or similar resource extraction sites;

(5) floodway; and

(6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174, subdivision 10.

(c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the relevant condition if at least 70 percent of the area of the parcel contains the relevant condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by substandard buildings if substandard buildings occupy at least 30 percent of the area of the parcel.

(d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ~~eight~~ 13 years for any district, and Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

(e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763, subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax increments paid by properties in any district, measured over the life of the district, may be expended on activities outside the district but within the project area.

(f) For a soil deficiency district:

(1) increments may be collected through ~~20~~ 25 years after the receipt by the authority of the first increment from the district;

(2) increments may be used only to:

(i) acquire parcels on which the improvements described in item (ii) will occur;

(ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and

(iii) pay for the administrative expenses of the authority allocable to the district; and

(3) any parcel acquired with increments from the district must be sold at no less than their fair market value.

(g) Increments spent for any infrastructure costs, whether inside a district or outside a district but within the project area, are deemed to satisfy the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

(h) The authority to approve tax increment financing plans to establish tax increment financing districts under this section expires June 30, 2020.

(i) Notwithstanding the restrictions in paragraph (f), clause (2), the city may use increments from a soil deficiency district to acquire parcels and for other infrastructure costs either inside or outside of the district, but within the project area, if the acquisition or infrastructure is for a qualified development. For purposes of this paragraph, a development is a qualified development only if all of the following requirements are satisfied:

(1) the city finds, by resolution, that the land acquisition and infrastructure are undertaken primarily to serve the development;

(2) the city has a binding, written commitment and adequate financial assurances from the developer that the development will be constructed; and

(3) the development does not consist of retail trade or housing improvements.

EFFECTIVE DATE. (a) The amendment to subdivision 2, paragraph (f), is effective upon compliance by the city of Maple Grove, Hennepin County, and Independent School District No. 279 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

(b) The amendment to subdivision 2, paragraph (d), is effective the day after the governing body of the city of Maple Grove and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. Laws 2017, First Special Session chapter 1, article 6, section 22, is amended to read:

Sec. 22. CITY OF ST. PAUL; FORD SITE REDEVELOPMENT TIF DISTRICT.

(a) For purposes of computing the duration limits under Minnesota Statutes, section 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul may waive receipt

of increment for the Ford Site Redevelopment Tax Increment Financing District. This authority is limited to the first four years of increment or increments derived from taxes payable in 2023, whichever occurs first.

(b) If the city elects to waive receipt of increment under paragraph (a), for purposes of applying any limits based on when the district was certified under Minnesota Statutes, section 469.176, subdivision 6, or 469.1763, the date of certification for the district is deemed to be January 2 of the property tax assessment year for which increment is first received under the waiver.

(c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city of St. Paul.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 4. **CITY OF BROOKLYN CENTER; TIF AUTHORITY.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of Brooklyn Center or the city of Brooklyn Center may establish not more than two redevelopment tax increment financing districts located wholly within the area in the city identified as the "Opportunity Site," which includes the area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway 10 to Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked Trunk Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin County State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked Trunk Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads and rights of way.

Subd. 2. **Special rules.** If the city or the authority establishes a tax increment financing district under this section, the following special rules apply:

(1) the district is deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district; and

(3) increment generated from the district may be expended on activities within the area described in subdivision 1 and all such expenditures are deemed expended on activities within the district for purposes of Minnesota Statutes, section 469.1763.

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires on December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Brooklyn Center and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. **CITY OF BROOKLYN PARK; TIF AUTHORITY; VILLAGE CREEK AREA.**

Subdivision 1. Establishment of districts. Upon the termination of Tax Increment Financing District No. 20 within the city of Brooklyn Park, under the special rules established in subdivision 2, the economic development authority of the city of Brooklyn Park or city of Brooklyn Park may establish not more than two redevelopment tax increment financing districts located wholly within the area of the city of Brooklyn Park. The districts may be comprised of the following parcels identified by their current parcel identification numbers:

<u>2011921430101</u>	<u>2011921440088</u>	<u>2011921430092</u>	<u>2011921430099</u>	<u>2111921330104</u>
<u>2111921340003</u>	<u>2111921340005</u>	<u>2111921340006</u>	<u>2111921340019</u>	<u>2111921340021</u>
<u>2111921330066</u>	<u>2111921330068</u>	<u>2111921340017</u>	<u>2111921340018</u>	<u>2811921130004</u>
<u>2811921130005</u>	<u>2811921140007</u>	<u>2811921210003</u>	<u>2811921220002</u>	<u>2811921220007</u>
<u>2811921240004</u>	<u>2811921240009</u>	<u>2811921240010</u>	<u>2811921240107</u>	<u>2811921310001</u>
<u>2811921340010</u>	<u>2911921120032</u>	<u>2811921130014</u>	<u>2811921130015</u>	<u>2811921130024</u>
<u>2811921140012</u>	<u>2811921210014</u>	<u>2811921210020</u>	<u>2811921210023</u>	<u>2811921210103</u>
<u>2811921220001</u>	<u>2811921220003</u>	<u>2811921220005</u>	<u>2811921240007</u>	<u>2811921340006</u>
<u>2911921120001</u>	<u>2911921120004</u>	<u>2011921440089</u>	<u>2111921330067</u>	<u>2111921340002</u>
<u>2111921340004</u>	<u>2111921340027</u>	<u>2111921340113</u>	<u>2811921120001</u>	<u>2811921130001</u>
<u>2811921130017</u>	<u>2811921130023</u>	<u>2811921210001</u>	<u>2811921210016</u>	<u>2811921210033</u>
<u>2811921210060</u>	<u>2811921210101</u>	<u>2811921240006</u>	<u>2811921240017</u>	<u>2911921110004</u>
<u>2911921120005</u>	<u>2011921430093</u>	<u>2011921430100</u>	<u>2011921430102</u>	<u>2011921430103</u>
<u>2111921330102</u>	<u>2111921330103</u>	<u>2111921340001</u>	<u>2111921340007</u>	<u>2111921340020</u>
<u>2111921340022</u>	<u>2811921120002</u>	<u>2811921120104</u>	<u>2811921130002</u>	<u>2811921130020</u>
<u>2811921130021</u>	<u>2811921210022</u>	<u>2811921210034</u>	<u>2811921210099</u>	<u>2811921210102</u>
<u>2811921220006</u>	<u>2811921240003</u>	<u>2811921240012</u>	<u>2811921340005</u>	<u>2811921340009</u>
<u>2911921110118</u>	<u>2911921120006</u>	<u>2911921120043</u>	<u>3311921210001</u>	

together with adjacent and internal roads and rights-of-way, and the following roadways within the city of Brooklyn Park: Zane Avenue North (from and including the intersection at 78th Avenue North to and including the intersection at Highway 94), Brooklyn Boulevard (from and including the intersection at the border of Brooklyn Center to and including the intersection at Kentucky Avenue North), Brookdale Drive North (from and including the intersection at Zane Avenue North to and including the intersection at Welcome Avenue North), Village Creek Parkway North, 77th Avenue North (from and including the intersection at Village Creek Parkway North to and including the intersection at Brookdale Drive North), 73rd Avenue North/Regent Avenue (from and including the intersection at Zane Avenue North to and including the intersection at Brooklyn Boulevard).

Subd. 2. Special rules. If the city or the authority establishes any tax increment financing district under subdivision 1, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

Subd. 3. **Expiration.** The authority to request certification of any district under this section expires on December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. CITY OF BROOKLYN PARK; TIF AUTHORITY; 610/ZANE AREA.

Subdivision 1. **Establishment of districts.** Under the special rules established in subdivision 2, the economic development authority of the city of Brooklyn Park or the city of Brooklyn Park may establish not more than two redevelopment districts located wholly within the area of the city of Brooklyn Park. The districts may be comprised of the following parcels identified by their current parcel identification numbers together with adjacent and internal roads and rights-of-way:

<u>0811921410009</u>	<u>0811921140050</u>	<u>0811921140051</u>	<u>0911921120005</u>	<u>0911921210007</u>
<u>0911921230008</u>	<u>0911921230049</u>	<u>0911921240006</u>	<u>0911921240009</u>	<u>0911921310004</u>
<u>0911921320018</u>	<u>0911921330009</u>	<u>0911921430006</u>	<u>0911921430014</u>	<u>0911921430015</u>
<u>0911921430019</u>	<u>0911921430020</u>	<u>0911921430028</u>	<u>0911921430030</u>	<u>0911921430033</u>
<u>0911921430037</u>	<u>0911921430038</u>	<u>0911921430040</u>	<u>0911921430048</u>	<u>0911921430054</u>
<u>0911921430055</u>	<u>0911921430059</u>	<u>0911921430069</u>	<u>0911921430071</u>	<u>0911921430072</u>
<u>0911921430076</u>	<u>0911921430080</u>	<u>0911921430081</u>	<u>0911921430082</u>	<u>0911921430083</u>
<u>0911921430086</u>	<u>0911921430087</u>	<u>0911921430088</u>	<u>0911921430094</u>	<u>0911921430095</u>
<u>0911921430099</u>	<u>0911921430104</u>	<u>0911921430114</u>	<u>0911921210005</u>	<u>0911921210095</u>
<u>0911921220070</u>	<u>0911921220071</u>	<u>0911921230009</u>	<u>0911921230010</u>	<u>0911921230011</u>
<u>0911921230012</u>	<u>0911921230013</u>	<u>0911921240005</u>	<u>0911921240008</u>	<u>0911921310007</u>
<u>0911921310009</u>	<u>0911921320023</u>	<u>0911921330008</u>	<u>0911921330011</u>	<u>0911921340008</u>
<u>0911921340014</u>	<u>0911921340017</u>	<u>0911921430018</u>	<u>0911921430024</u>	<u>0911921430025</u>
<u>0911921430029</u>	<u>0911921430034</u>	<u>0911921430035</u>	<u>0911921430039</u>	<u>0911921430044</u>
<u>0911921430045</u>	<u>0911921430049</u>	<u>0911921430058</u>	<u>0911921430060</u>	<u>0911921430061</u>
<u>0911921430062</u>	<u>0911921430063</u>	<u>0911921430067</u>	<u>0911921430068</u>	<u>0911921430090</u>
<u>0911921430093</u>	<u>0911921430097</u>	<u>0911921430098</u>	<u>0911921430102</u>	<u>0911921430103</u>
<u>0911921430112</u>	<u>0911921430113</u>	<u>0911921430120</u>	<u>0811921440008</u>	<u>0911921210006</u>
<u>0911921210096</u>	<u>0911921210100</u>	<u>0911921210101</u>	<u>0911921220008</u>	<u>0911921220017</u>
<u>0911921230014</u>	<u>0911921230015</u>	<u>0911921240004</u>	<u>0911921240007</u>	<u>0911921310010</u>
<u>0911921310011</u>	<u>0911921310012</u>	<u>0911921330010</u>	<u>0911921330012</u>	<u>0911921340009</u>
<u>0911921430013</u>	<u>0911921430017</u>	<u>0911921430021</u>	<u>0911921430022</u>	<u>0911921430026</u>
<u>0911921430031</u>	<u>0911921430032</u>	<u>0911921430036</u>	<u>0911921430041</u>	<u>0911921430042</u>
<u>0911921430046</u>	<u>0911921430053</u>	<u>0911921430057</u>	<u>0911921430064</u>	<u>0911921430065</u>
<u>0911921430073</u>	<u>0911921430077</u>	<u>0911921430078</u>	<u>0911921430100</u>	<u>0911921430105</u>
<u>0911921430107</u>	<u>0911921430108</u>	<u>0911921430110</u>	<u>0911921430115</u>	<u>0911921430117</u>
<u>0911921430118</u>	<u>0911921210097</u>	<u>0911921210099</u>	<u>0911921220014</u>	<u>0911921220015</u>
<u>0911921220068</u>	<u>0911921230005</u>	<u>0911921320016</u>	<u>0911921320021</u>	<u>0911921320024</u>
<u>0911921330006</u>	<u>0911921340015</u>	<u>0911921340016</u>	<u>0911921430009</u>	<u>0911921430010</u>

<u>0911921430011</u>	<u>0911921430012</u>	<u>0911921430016</u>	<u>0911921430023</u>	<u>0911921430027</u>
<u>0911921430043</u>	<u>0911921430047</u>	<u>0911921430050</u>	<u>0911921430051</u>	<u>0911921430052</u>
<u>0911921430056</u>	<u>0911921430066</u>	<u>0911921430070</u>	<u>0911921430074</u>	<u>0911921430075</u>
<u>0911921430079</u>	<u>0911921430084</u>	<u>0911921430085</u>	<u>0911921430089</u>	<u>0911921430091</u>
<u>0911921430092</u>	<u>0911921430096</u>	<u>0911921430101</u>	<u>0911921430106</u>	<u>0911921430109</u>
<u>0911921430111</u>	<u>0911921430116</u>	<u>0911921430119</u>	<u>0611921440003</u>	<u>Unplatted 0611921</u>

Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing district under subdivision 1, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

Subd. 3. **Expiration.** The authority to request certification of any district under this section expires on December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. **CITY OF BROOKLYN PARK; TIF AUTHORITY; BIOTECH AREA.**

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of Brooklyn Park or the city of Brooklyn Park may establish not more than two redevelopment districts located wholly within the area of the city of Brooklyn Park. The districts may be comprised of the following parcels identified by their current parcel identification numbers together with adjacent and internal roads and rights-of-way:

<u>0711921110007</u>	<u>0711921140001</u>	<u>0711921140002</u>	<u>0711921140007</u>	<u>0711921240002</u>
<u>0711921240004</u>	<u>0711921110005</u>	<u>0711921120009</u>	<u>0711921220003</u>	<u>0711921230001</u>
<u>0711921230002</u>	<u>0811921230004</u>	<u>0711921110004</u>	<u>0711921110006</u>	<u>0711921110008</u>
<u>0711921120005</u>	<u>0711921130005</u>	<u>0711921140005</u>	<u>0711921140006</u>	<u>0711921210003</u>
<u>0711921110003</u>	<u>0711921120006</u>	<u>0811921230002</u>	<u>0811921220002</u>	

Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing district under subdivision 1, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

Subd. 3. **Expiration.** The authority to request certification of any district under this section expires on December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY; EDEN PRAIRIE CENTER.

Subdivision 1. Establishment. Pursuant to the special rules established in subdivision 2, the economic development authority of the city of Eden Prairie or the city of Eden Prairie may establish not more than two redevelopment districts located within the area of the city of Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

Subd. 2. Special rules. If the city or authority establishes a tax increment financing district under this section, the following special rules apply:

(1) the districts are deemed to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10; and

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

Subd. 3. Expiration. The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 9. CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE EXTENSION; DURATION EXTENSION.

(a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the city of Edina or its housing and redevelopment authority may elect to extend the duration of the district by five years for Tax Increment Financing District 72nd & France 2.

EFFECTIVE DATE. Paragraph (a) is effective the day after the governing body of the city of Edina and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Edina, Hennepin County, and Independent School District No. 273 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 10. CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE EXTENSION; DURATION EXTENSION.

(a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the city of Edina or its housing and redevelopment authority may elect to extend the duration of the district by five years for Tax Increment Financing District 70th & France.

EFFECTIVE DATE. Paragraph (a) is effective the day after the governing body of the city of Edina and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Edina, Hennepin County, and Independent School District No. 273 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 11. CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY; FIVE-YEAR RULE EXTENSION.

The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for the renewal and renovation tax increment financing district established in 2021 by the economic development authority in the city of Minnetonka.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 12. CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT NO. 31; FIVE-YEAR RULE EXTENSION.

(a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, are extended to ten years for Tax Increment Financing District No. 31 administered by the city of Moorhead.

(b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, are extended to the 11th year for Tax Increment Financing District No. 31 administered by the city of Moorhead.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Moorhead and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 13. CITY OF PLYMOUTH; TAX INCREMENT FINANCING; ESTABLISHMENT.

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the city of Plymouth may establish not more than two redevelopment districts located wholly within the city

of Plymouth, Hennepin County, Minnesota, limited to the area identified as the city center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024, and adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

Subd. 2. **Special rules.** If the city establishes a tax increment financing district under this section, the following special rules apply:

(1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10;

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district; and

(3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years, and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years.

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. CITY OF ST. CLOUD; TAX INCREMENT FINANCING; ESTABLISHMENT.

Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of St. Cloud or the city of St. Cloud may establish not more than two redevelopment districts adjacent to the Division Street corridor or within the Central Business District or Fringe Central District, limited to the following parcels identified by tax identification numbers, together with the adjacent roads and rights-of-way:

(1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001 (Former Herbergers); and

(2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site); 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601; 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing district under this section, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district; and

(3) increments generated from the districts may be expended for the reconstruction, expansion, or new construction of adjacent public infrastructure, including but not limited to public parking,

streets, and utilities necessary to serve the development, and all expenditures under this clause are deemed expended on activities within the district for purposes of Minnesota Statutes, section 469.1763.

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires on December 31, 2030.

EFFECTIVE DATE. This section is effective the day after the city of St. Cloud and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 6

LOCAL SALES AND USE TAXES

Section 1. Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.9915, (2) under section 297A.992, (3) under section 297A.9925, (4) under section 297A.993, (5) if permitted by special law, or (6) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997, ~~or;~~

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference; or

(3) enacted before July 1, 2024.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

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

Sec. 2. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

Subd. 3. **Legislative authority required before voter approval; requirements for adoption, use, termination.** (a) A political subdivision must receive legislative authority to impose a local sales tax before submitting the tax for approval by voters of the political subdivision. Imposition of a local sales tax is subject to approval by voters of the political subdivision at a general election. The election must be conducted at a general election within the two-year period after the governing body of the political subdivision has received authority to impose the tax. If the authorizing legislation allows the tax to be imposed for more than one project, there must be a separate question approving the use of the tax revenue for each project. Notwithstanding the authorizing legislation, a project that is not approved by the voters may not be funded with the local sales tax revenue and the termination date of the tax set in the authorizing legislation must be reduced proportionately based on the share of that project's cost to the total costs of all projects included in the authorizing legislation.

(b) The proceeds of the tax must be dedicated exclusively to payment of the construction and rehabilitation costs and associated bonding costs related to the specific capital improvement projects that were approved by the voters under paragraph (a). The political subdivision must not commingle revenue from a tax for a project or projects approved by the voters under this section with revenue from a local sales tax authorized under section 297A.9901 or any other law, ordinance, city charter, or other provision, including an extension of or modification to the uses of a local sales tax for a different project.

(c) The political subdivision imposing the tax must notify the commissioner at least 60 days before the date the political subdivision anticipates that revenues raised from the tax are sufficient to fund the projects approved by the voters under paragraph (a). The notification applies to each authorization of a tax and each project approved by the voters under paragraph (a), regardless of whether the legislature has authorized the tax notwithstanding the requirements of paragraph (d). The tax must terminate after the revenues raised are sufficient to fund the projects approved by the voters under paragraph (a). The political subdivision must notify the commissioner within 30 days of the date that sufficient revenues have been raised to fund the projects approved by the voters under paragraph (a).

(d) After a sales tax imposed by a political subdivision has expired or been terminated, the political subdivision is prohibited from imposing a local sales tax for a period of one year.

~~(e) Notwithstanding paragraph (a), if a political subdivision received voter approval to seek authority for a local sales tax at the November 6, 2018, general election and is granted authority to impose a local sales tax before January 1, 2021, the tax may be imposed without an additional referendum provided that it meets the requirements of subdivision 2 and the list of specific projects contained in the resolution does not conflict with the projects listed in the approving referendum.~~

~~(f)~~ (e) If a tax is terminated because sufficient revenues have been raised, any amount of tax collected under subdivision 9, after sufficient revenues have been raised and before the quarterly termination required under subdivision 12, paragraph (a), that is greater than the average quarterly revenues collected over the immediately preceding 12 calendar months must be retained by the commissioner for deposit in the general fund.

(f) The total tax rate imposed by a political subdivision under this section or any other law, ordinance, or city charter and section 297A.9901 must not exceed one percent, except that this limit does not apply to taxes authorized under this section or any other law, ordinance, or city charter before June 1, 2023. Upon expiration of a tax authorized under this section or any other law, ordinance, or city charter, the limit in this paragraph applies. If a local sales tax is imposed by a county, the limit under this paragraph includes any tax authorized under section 297A.993.

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

Sec. 3. [297A.9901] SPECIFIED CAPITAL PROJECTS; LOCAL AUTHORIZATION ALLOWED; REQUIREMENTS.

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

(b) "Airport" means an airport not subject to the governance of the metropolitan airports commission organized under the provisions of sections 473.601 to 473.679.

(c) "Associated bonding costs" means the cost of issuing bonds to finance a specified capital project including but not limited to the costs of issuance of the bonds, capitalized interest, and the payment of principal and interest on the bonds.

(d) "Convention center" means a structure:

(1) that has a minimum of 50,000 square feet for exhibit and meeting spaces; and

(2) the square footage of which is expressly designed and constructed for the purposes of presenting conventions, public meetings, and exhibitions, and includes parking facilities that serve the center.

(e) "Correctional facility" means a public facility licensed and inspected by the commissioner of corrections established and operated for the detention and confinement of adults or juveniles, including but not limited to programs or facilities operating under chapter 401, secure juvenile detention facilities, municipal holding facilities, juvenile temporary holdover facilities, regional or local jails, lockups, work houses, work farms, and detention facilities.

(f) "District court" means one of the ten judicial district courts in the state of Minnesota subject to chapter 484.

(g) "Law enforcement center" means a facility that serves multiple communities and provides public safety functions, including a fire or police station and a facility that provides emergency 911 and dispatch functions, training facilities, court security and support, emergency operations, evidence and record retention, and other public safety services.

(h) "Library" means a library that is part of a regional public library system as designated by the regional library board under section 134.20, excluding a library located within a metropolitan county.

(i) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

(j) "Park" means a park of regional significance located entirely outside of a metropolitan county that meets at least three of the criteria specified in items 1, 2, and 4 to 6 in the Department of Natural Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws 2009, chapter 172, article 3, section 2, paragraph (e).

(k) "Political subdivision" means a county located in Minnesota or a statutory or home rule charter city located in Minnesota.

(l) "Prevailing wage rate" has the meaning given in section 177.42, subdivision 6.

(m) "Regional community center" means a structure that is expressly designed and constructed for the purposes of recreational, cultural, educational, or public group activities, or for civic engagement or social support, serving both residents and nonresidents of the community.

(n) "Regional sports complex" means a defined area of sports pavilions, stadiums, gymnasiums, swimming pools, or similar facilities where regional tournaments may be hosted, and where members of the public engage in physical exercise, participate in athletic competitions, witness sporting events, and host regional tournaments.

(o) "Specified capital project" means an airport, convention center, correctional facility, district court, law enforcement center, library, park, regional community center, regional sports complex, or trail.

(p) "Trail" means:

(1) a trail of regional significance located entirely outside of a metropolitan county that meets at least three of the criteria specified in items 1 to 5 in the Department of Natural Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws 2009, chapter 172, article 3, section 2, paragraph (e); or

(2) a nonstate designated regional or state trail that provides at least an hour of outdoor recreation opportunity or connects to other facilities that can provide at least an hour of recreation in total:

(i) for which the trail or trail extension connects to regional defined assets including a regionally designated park or higher education institution;

(ii) is included in a regional or community trail system plan; or

(iii) connects spaces of 25 acres to other trails or commercial areas.

Subd. 2. **Policy; requirements.** It is the public policy of the state of Minnesota that local sales taxes are to be used instead of traditional local revenues only for construction and rehabilitation of capital projects when a clear regional benefit beyond the taxing jurisdiction can be demonstrated. Capital projects funded by local sales taxes must serve a regional population, provide economic

development benefits and opportunities, or draw individuals to the region. If charged, access fees for the use of capital projects funded by a local sales tax must be equal for residents and nonresidents of the taxing jurisdiction. Use of local sales tax revenues for local projects decreases the benefits to taxpayers of the deductibility of local property taxes and the state assistance provided through the property tax refund system and increases the fiscal inequities between similar communities.

Subd. 3. **Local authorization allowed.** Notwithstanding section 477A.016, or any other law or ordinance, a political subdivision may impose, extend, or modify the uses of a local sales tax to finance a specified capital project without legislative authorization by demonstrating the regional significance of each specified capital project as provided in subdivisions 4 and 7 to 9. The authorization under this section applies to an extension to or modification of a local sales tax authorized under special law or the requirements of section 297A.99.

Subd. 4. **Demonstration of regional benefit; resolution required.** (a) A political subdivision seeking to impose a local sales tax must conduct a public hearing to provide information regarding each specified capital project the political subdivision proposes to fund with the local sales tax. Notice of the hearing must be provided at least 60 days in advance of the hearing and must include:

(1) the tax rate;

(2) a description of each project proposed to be funded by the local sales tax; and

(3) the amount of tax revenue that would be used for each project and the estimated time needed to raise that amount of revenue, inclusive of the amount distributed under subdivision 6, paragraph (a), clause (3), if that option is selected.

(b) After conducting the public hearing required under paragraph (a) and before the governing body of a political subdivision seeks voter approval to impose a local sales tax, the governing body shall adopt a resolution indicating its approval of the tax. The resolution must include:

(1) the proposed tax rate;

(2) a detailed description of no more than three projects to be funded with revenue from the tax;

(3) documentation of the regional significance of each project, including:

(i) the share of the economic benefit to or use of each project by persons residing or businesses located outside of the jurisdiction; and

(ii) demonstration that the project meets the requirements of the applicable definitions in subdivision 1;

(4) the amount of local sales tax revenue that would be used for each project and the estimated time needed to raise that amount of revenue; and

(5) the total revenue that will be raised for all projects before the tax expires and the estimated length of time that the tax will be in effect if all proposed projects are funded.

(c) The jurisdiction seeking authority to impose a local sales tax by special law must submit the resolution and the documentation required under paragraph (b) to the commissioner pursuant to section 297A.9902.

Subd. 5. **Voter approval required.** (a) Imposition of a local sales tax under this section is subject to approval by voters of the political subdivision at a general or special election. The election must be held within two years of the date the political subdivision receives approval from the commissioner under section 297A.9902. A political subdivision may choose to conduct the election at a general or special election held on the first Tuesday after the first Monday in November. There must be a separate question approving the use of the tax revenue for each project. A project that is not approved by the voters may not be funded with the local sales tax revenue. For purposes of this section, "general election" and "special election" have the meanings given in section 200.02, except that a general election or special election held under this section must be held on the first Tuesday after the first Monday in November.

(b) Each ballot question presented to voters must include:

(1) a description of each specified capital project, including acknowledgment of any state mandate for a government service that necessitates the construction of the project, if applicable;

(2) acknowledgment that the political subdivision is seeking authorization from voters to impose the sales tax;

(3) the total cost of each capital project, inclusive of the amount required under subdivision 6, paragraph (a), clause (3);

(4) the start date of the project and maximum project cost that may be generated for a period lasting no longer than 30 years;

(5) the tax rate;

(6) a statement that by voting "yes" the voter is voting for the tax at the rate specified in clause (5) to:

(i) impose a new local sales tax;

(ii) increase a local sales tax; or

(iii) extend a local sales tax that would otherwise expire; and

(7) in combination with the statement required under clause (6), a statement that by voting "no" the voter acknowledges that the project subject to approval in the question may be funded by increased property taxes.

Subd. 6. **Administration; termination.** (a) The proceeds of the tax must be dedicated exclusively to payment of the construction and rehabilitation costs and associated bonding costs related to the specified capital projects approved by the voters under subdivision 5, paragraph (a). The political subdivision must not commingle revenue from a tax approved by the voters under this section with revenue from a local sales tax authorized under section 297A.99 or any other law, ordinance, city

charter, or other provision, including an extension of or modification to the uses of a local sales tax for a different project.

(b) The political subdivision imposing the tax must notify the commissioner at least 60 days before the date the political subdivision anticipates that revenues raised from the tax are sufficient to fund the projects approved by the voters under subdivision 5, paragraph (a). The notification applies to each authorization of a tax and each project approved by the voters under subdivision 5, paragraph (a), regardless of whether the legislature has authorized the tax notwithstanding the requirements of paragraph (c). The tax must terminate after the revenues raised are sufficient to fund the projects approved by the voters under subdivision 5, paragraph (a). The political subdivision must notify the commissioner within 30 days of the date that sufficient revenues have been raised to fund the projects approved by the voters under subdivision 5, paragraph (a).

(c) After a sales tax imposed by a political subdivision has expired or been terminated, the political subdivision is prohibited from imposing a local sales tax for a period of one year.

(d) If a tax is terminated because sufficient revenues have been raised, any amount of tax collected after sufficient revenues have been raised and before the quarterly termination required under section 297A.99, subdivision 12, paragraph (a), that is greater than the average quarterly revenues collected over the immediately preceding 12 calendar months, must be retained by the commissioner for deposit in the general fund.

Subd. 7. **Regional sports complexes; regional community centers.** To impose a local sales tax to fund construction or remodeling of or improvements to a regional sports complex or regional community center, a political subdivision must:

(1) conduct an analysis of the surrounding region to demonstrate that there is no similar regional sports complex or regional community center open to nonresidents at the same cost as to residents;

(2) obtain resolutions adopted by at least two adjacent counties, or adjacent statutory or home rule charter cities or townships affirming there is a regional need for the regional sports complex or regional community center. A county in which a statutory or home rule charter city or a township is located and a statutory or home rule charter city or a township located within a county qualifies as "adjacent" for purposes of this clause; or

(3) develop and present a model for the sharing of local sales tax revenues with surrounding counties, statutory or home rule charter cities, or townships for projects that meet needs of the counties, statutory or home rule charter cities, or townships.

Subd. 8. **Criminal justice facilities.** (a) To impose a local sales tax to fund construction or remodeling of or improvements to a correctional facility, a political subdivision must demonstrate the need for the facility by providing:

(1) official documentation of the age of the facility; and

(2)(i) official correspondence from the Department of Corrections that includes an analysis of the facility and description of the improvements or updates needed; or

(ii) if the facility is a joint project between two or more counties, the joint powers agreement or other official documentation between at least one other county demonstrating that the facility will serve public safety functions for the region.

(b) To impose a local sales tax to fund construction or remodeling of or improvements to a district court office, a political subdivision must demonstrate the need for the facility by providing the age of the facility and a description of improvements needed.

(c) To impose a local sales tax to fund construction or remodeling of or improvements to a law enforcement center, a political subdivision must provide resolutions from surrounding counties, statutory or home rule charter cities, or townships affirming that the functions of the law enforcement center will meet the needs of the surrounding county, statutory or home rule charter city, or township.

Subd. 9. **Convention centers; airports; parks and trails.** (a) To impose a local sales tax to finance construction or remodeling of or improvements to a convention center, a political subdivision must demonstrate that the convention center meets the requirements of subdivision 1, paragraph (c).

(b) To impose a local sales tax to finance construction or remodeling of or improvements to an airport, a political subdivision must demonstrate the regional necessity of the airport.

(c) To impose a local sales tax to finance construction of or improvements to a park, a political subdivision must demonstrate how the project meets the criteria described in subdivision 1, paragraph (h).

(d) To impose a local sales tax to finance construction of or improvements to a trail, a political subdivision must demonstrate how the project meets the criteria described in subdivision 1, paragraph (n).

Subd. 10. **Other provisions apply.** (a) The provisions of section 297A.99, subdivisions 4 to 13, apply to taxes authorized under this subdivision.

(b) The prevailing wage rate applies to all contracts for construction of specified capital projects under this section that are located in a metropolitan county.

(c) The total tax rate imposed by a political subdivision under this section and section 297A.99 must not exceed one percent. If a local sales tax is imposed by a county, the limit under this paragraph includes any tax authorized under section 297A.993.

(d) The maximum collection period for a tax imposed under this section is the earlier of the amount of time necessary to collect the revenue equal to the cost of the specified capital projects approved by the voters, including as associated bonding costs, or 30 years.

Subd. 11. **Bonds; authorization.** (a) A political subdivision may issue bonds under chapter 475 to finance all or a portion of the costs of a specified capital project. The aggregate principal amount of bonds issued must not exceed the cost of a qualifying capital project approved by the voters, plus associated bonding costs. The bonds may be paid from or secured by any funds available to the political subdivision, including the tax authorized under this section and approved by the voters. The issuance of bonds under this subdivision is not subject to sections 275.60 and 275.61.

(b) A separate election to approve the bonds under section 475.58 is not required.

Subd. 12. **Filing and imposition requirements.** (a) A political subdivision that has received approval to impose a tax from the commissioner under this section must file a certificate of local approval with the secretary of state within 60 days after receiving voter approval for the tax to be lawfully imposed. If the tax is approved by the voters, the political subdivision must impose the tax within 15 months of receiving the voter approval. If the tax is not imposed within 15 months, the authority to impose the tax under this section expires.

(b) If, after receiving voter approval, a political subdivision cancels a project approved by the voters, the political subdivision must notify the commissioner. The commissioner must proportionately decrease the maximum amount of tax revenue the political subdivision may collect and must adjust the termination of the tax accordingly. If the political subdivision has already collected revenue for the canceled project, the political subdivision must return the funds to the commissioner for deposit to the general fund. The political subdivision must use any other source of revenue available to pay any outstanding debt on the bonds that were issued for the canceled project.

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

Sec. 4. **[297A.9902] LOCAL SALES TAXES; OVERSIGHT.**

(a) A political subdivision seeking to impose a local sales tax under the provisions of section 297A.9901 must file a copy of the resolution and documentation required under section 297A.9901, subdivision 4, paragraph (b), with the commissioner by October 31 of the year before the political subdivision seeks voter approval of the tax.

(b) The commissioner must verify whether a project included in the submission under paragraph (a) meets the requirements of section 297A.9901, subdivisions 1 to 9, and subdivision 10, paragraph (c). By January 10 of the year the political subdivision seeks voter approval of a local sales tax authorized under section 297A.9901, the commissioner must notify the political subdivision of the commissioner's determination.

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

Sec. 5. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 3a, is repealed.

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

ARTICLE 7

PUBLIC FINANCE

Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate enter into an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor

solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. ~~A facility addition, maintenance project, or remodeling project~~ New construction, expansion, or remodeling of an educational facility funded only with general education revenue, lease levy proceeds from an additional capital expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or long-term facilities maintenance revenue is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended to read:

Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a referendum for bonds under chapter 475 or solicitation of bids for a project that has received a positive or unfavorable review and comment under section 123B.70, the school board shall publish a summary of the commissioner's review and comment of that project in the legal newspaper of the district. The school board must hold a public meeting to discuss the commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary information shall be available to the public. Where no such referendum for bonds is required, the publication and public meeting requirements of this subdivision shall not apply.

(b) The publication requirement in paragraph (a) does not apply to alternative facilities projects approved under section 123B.595.

Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

(g) Projects funded under this subdivision that require an expenditure in excess of \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000 per school site if the school district does not have a capital loan outstanding, are subject to review and comment under section 123B.71, subdivision 8, in the same manner as other school construction projects.

Sec. 4. Minnesota Statutes 2022, section 446A.086, subdivision 1, is amended to read:

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

(b) "Authority" means the Minnesota Public Facilities Authority.

(c) "Commissioner" means the commissioner of management and budget.

(d) "Debt obligation" means:

(1) a general obligation bond or note issued by a county, a bond or note to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond or note payable from a county lease obligation under section 641.24, to provide funds for the construction of:

(i) jails;

(ii) correctional facilities;

(iii) law enforcement facilities;

(iv) a court house or justice center, if connected to a jail, correctional facility, or other law enforcement facility;

~~(iv)~~ (v) social services and human services facilities;

~~(v)~~ (vi) solid waste facilities; or

~~(vi)~~ (vii) qualified housing development projects as defined in section 469.034, subdivision 2;
or

(2) a general obligation bond or note issued by a governmental unit to provide funds for the construction, improvement, or rehabilitation of:

(i) wastewater facilities;

(ii) drinking water facilities;

(iii) stormwater facilities; or

(iv) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs, for which bonds are issued by the authority under section 446A.087.

(e) "Governmental unit" means a county or a statutory or home rule charter city.

Sec. 5. Minnesota Statutes 2022, section 469.104, is amended to read:

469.104 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.

Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.090 to 469.108 that are limited required by federal tax law as defined in section 474A.02, subdivision 8, to obtain an allocation of volume cap.

Sec. 6. Minnesota Statutes 2022, section 473.757, subdivision 10, is amended to read:

Subd. 10. **Sales and use tax.** (a) Notwithstanding section 477A.016, or other law, the governing body of the county may by ordinance, impose a sales and use tax at the rate of 0.15 percent for the purposes listed in this section. The taxes authorized under this section and the manner in which they are imposed are exempt from the rules of section 297A.99, subdivisions 2 and 3. The provisions of section 297A.99, except for subdivisions 2 and 3, apply to the imposition, administration, collection, and enforcement of this tax.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

(c) The requirements of sections 297A.9901 and 297A.9902 do not apply to taxes authorized under this chapter.

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

Sec. 7. Minnesota Statutes 2022, section 474A.091, subdivision 2, is amended to read:

Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an allocation for residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

- (1) a preliminary resolution;
- (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;
- (3) an application deposit in the amount of two percent of the requested allocation;
- (4) a sworn statement from the applicant identifying the project as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project; and
- (5) a certification from the applicant or its accountant stating that the requested allocation does not exceed the aggregate bond limitation.

The issuer must pay the application deposit to the Department of Management and Budget. An entitlement issuer may not apply for an allocation for residential rental project bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) An issuer that receives an allocation under this subdivision must permanently issue obligations equal to all or a portion of the allocation received on or before the earlier of: (1) 180 days of the allocation; or (2) the last business day of December. If an issuer that receives an allocation under this subdivision does not permanently issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool.

(c) The Minnesota Housing Finance Agency may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 8. Minnesota Statutes 2022, section 474A.091, subdivision 2a, is amended to read:

Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply for an allocation for all types of qualified bonds other than residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

- (1) a preliminary resolution;
- (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;
- (3) the type of qualified bonds to be issued;
- (4) an application deposit in the amount of two percent of the requested allocation; and

(5) a public purpose scoring worksheet for manufacturing and enterprise zone applications.

The issuer must pay the application deposit to the Department of Management and Budget. An entitlement issuer may not apply for an allocation for public facility bonds or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, an entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) An issuer that receives an allocation under this subdivision must permanently issue obligations equal to all or a portion of the allocation received on or before the earlier of: (1) 120 days of the allocation; or (2) the last business day of December. If an issuer that receives an allocation under this subdivision does not permanently issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool.

(c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority may apply for and receive an allocation under this section without submitting an application deposit.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH GRANTS.

Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants ~~to eligible organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services~~ under this section, the commissioner must provide public notice of the grants in a timely manner so that the grant process is completed and grants are awarded by October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for the filing season. At the time the commissioner provides public notice, the commissioner must also notify ~~eligible~~ organizations that received grants in the previous biennium. Amounts appropriated for grants under this section are not subject to retention of administrative costs under section 16B.98, subdivision 14.

Subd. 2. ~~**Eligible organization Definitions.** "Eligible organization" means an organization that meets the definition of eligible organization provided in section 7526A(c)(2)(B) of the Internal Revenue Code.~~

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

(b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income taxpayers, including but not limited to the credits under sections 290.0661, 290.0671, 290.0674, and 290.0693, and chapter 290A.

(c) "Tax outreach organization" means a nonprofit organization or federally recognized Indian Tribe with experience serving demographic groups or geographic regions that have historically had low rates of participation in eligible credits.

(d) "Taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

(e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

Subd. 3. **Taxpayer assistance grants.** The commissioner must make grants to one or more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services.

Subd. 4. **Tax credit outreach grants.** The commissioner must make one or more grants to tax outreach organizations and volunteer assistance organizations. Grants provided under this subdivision must be used to:

(1) publicize and promote the availability of eligible credits to taxpayers likely to be eligible for those credits; or

(2) provide taxpayer assistance services.

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

Sec. 2. Minnesota Statutes 2022, section 270C.33, is amended by adding a subdivision to read:

Subd. 4a. **Limitations; sales, corporate, and income taxes.** (a) The provisions of this subdivision are a limitation on the assessment authority of the commissioner under this section.

(b) The commissioner must not assess additional tax due under chapter 290 or 297A if each of the following requirements are met:

(1) the taxpayer was given erroneous advice in writing by an employee of the department acting in an official capacity, if the advice:

(i) was reasonably relied on and was included in a tax order or in response to a specific written request by the taxpayer; and

(ii) was not the result of failure by the taxpayer to provide adequate or accurate information; and

(2) effective for a taxable period beginning after the period covered by clause (1), neither the statute or administrative rule on which the reporting or other practice is based has been materially

changed, its interpretation has not been changed by a court decision, or there has been a federal adjustment as defined under section 289A.381, subdivision 7, and the commissioner has not issued a revenue notice or directly notified the taxpayer, in writing, of the commissioner's position as to the proper reporting or other treatment of the relevant income, transaction, deduction, credit, or other item of tax preference.

(c) For an audit of a prior taxable period by the commissioner, paragraph (b), clause (1), applies only to the issues within the scope of and specifically addressed by the audit where the written order given to the taxpayer includes erroneous advice on those issues. For a written order that includes data sampling, paragraph (b), clause (1), applies only to the reviewed sampled population.

EFFECTIVE DATE. This section is effective for erroneous advice given to the taxpayer in writing after June 30, 2024.

Sec. 3. Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2, is amended to read:

Subd. 2. **Allocation of revenues.** (a) Of the amounts remitted under this chapter, 70 percent must be credited to the environmental fund established in section 16A.531, subdivision 1.

(b) In addition to the amounts credited to the environmental fund in paragraph (a), ~~in fiscal year 2024 and later,~~ three percent of the amounts remitted under this chapter shall be deposited into the resource management account in the environmental fund. For fiscal year 2025 only, an additional \$3,252,000 must be deposited in the resource management account in the environmental fund.

(c) The remainder must be deposited into the general fund.

(d) ~~Beginning in fiscal year 2024 and annually thereafter,~~ The money deposited in the resource management account in the environmental fund under paragraph (b) is appropriated to the commissioner of the Pollution Control Agency for distribution to counties under section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11). Amounts appropriated for distribution under this section are not subject to retention of administrative costs under section 16B.98, subdivision 14.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 4. **HENNEPIN COUNTY BASEBALL STADIUM TAX; REVIEW AND EVALUATION.**

(a) The commissioner of revenue must review and evaluate the provisions of Minnesota Statutes, sections 473.75 to 473.763, to determine whether the tax authorized under Minnesota Statutes, section 473.757, subdivision 10, should be extended to fund purposes other than those included in Minnesota Statutes, section 473.757, subdivision 11.

(b) The review and evaluation must include possible distribution of revenues to fund improvements to hospitals located in Hennepin County and the need for continued operating costs to and improvements to public infrastructure of the ballpark, as defined under Minnesota Statutes, section 473.751, subdivision 3.

(c) In performing the requirements of paragraphs (a) and (b), the commissioner of revenue must consult with:

(1) the Hennepin County Board of Commissioners;

(2) members of the senate and house of representatives whose districts include areas both within and outside Hennepin County;

(3) the Minnesota Ballpark Authority, as defined under Minnesota Statutes, section 473.751, subdivision 2;

(4) the team, as defined under Minnesota Statutes, section 473.751, subdivision 9; and

(5) members of the boards of directors of hospitals located within Hennepin County.

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

Sec. 5. APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.

(a) \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The grant must be paid by June 30, 2024. The grant under this section is not subject to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

(b) The grant under this section must be used by the city of South St. Paul to pay for planning and development costs within the city.

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

Sec. 6. APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER ASSISTANCE GRANTS.

(a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in Laws 2023, chapter 64, article 7, section 30.

(b) The base for the \$1,000,000 appropriation in paragraph (a) is \$1,044,000 in fiscal year 2026 and \$1,045,000 in fiscal year 2027.

(c) \$750,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for taxpayer assistance grants under Minnesota Statutes, section 270C.21, subdivision 3. This appropriation is in addition to the amount appropriated for taxpayer assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.

ARTICLE 9**DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES**

Section 1. Minnesota Statutes 2022, section 116U.27, subdivision 2, is amended to read:

Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of eligible production costs paid in ~~a taxable year~~ any consecutive 12-month period as described in subdivision 1, paragraph (h). A taxpayer may only claim a credit if the taxpayer was issued a credit certificate under subdivision 4.

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 19, is amended to read:

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

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

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

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

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

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

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

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

(f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for taxable years beginning after December 31, 1996.

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

(h) In the case of a partnership electing to file a composite return under section 289A.08, subdivision 7, "net income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, ~~and 28, and 31~~, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(i) In the case of a qualifying entity electing to pay the pass-through entity tax under section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal adjusted gross income from the qualifying entity modified by the additions provided in section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 3, 9, 27, ~~and 28, and 31~~, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the pass-through entity tax computation to the extent the qualifying owners would have been allowed the subtraction. ~~The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.~~

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** (a) A taxpayer is allowed a subtraction equal to the greater of the simplified subtraction allowed under paragraph (b) or the alternate subtraction determined under paragraph (c).

(b) A taxpayer's simplified subtraction equals the amount of taxable social security benefits, as reduced under paragraphs (c) and (d).

(c) For a taxpayer other than a married taxpayer filing a separate return with adjusted gross income above the phaseout threshold, the simplified subtraction is reduced by ten percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the phaseout threshold. The phaseout threshold equals:

(1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

(2) \$78,000 for a single or head of household taxpayer; and

(3) for a married taxpayer filing a separate return, half the amount for a married taxpayer filing a joint return.

(d) For a married taxpayer filing a separate return, the simplified subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of the phaseout threshold.

(e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (f), (g), and (h).

(f) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction under paragraph ~~(e)~~ (e) equals \$5,840. The maximum subtraction is reduced by 20 percent of provisional income over \$88,630. In no case is the subtraction less than zero.

(g) For single or head-of-household taxpayers, the maximum subtraction under paragraph ~~(e)~~ (e) equals \$4,560. The maximum subtraction is reduced by 20 percent of provisional income over \$69,250. In no case is the subtraction less than zero.

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

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

(j) The commissioner shall adjust the phaseout threshold amounts in paragraphs (c) ~~and (d)~~, clauses (1) and (2), as provided in section 270C.22. The statutory year is taxable year 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 34, is amended to read:

Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension income is a subtraction. The subtraction in this section is limited to:

(1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

(2) \$12,500 for all other filers.

(b) For a taxpayer with adjusted gross income above the phaseout threshold, the subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of the threshold. The phaseout threshold equals:

(1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

(2) \$78,000 for a single or head of household taxpayer; or

(3) for a married taxpayer filing a separate return, half the amount for a married taxpayer filing a joint return.

(c) For the purposes of this section, "qualified public pension income" means any amount received:

(1) by a former basic member or the survivor of a former basic member, as an annuity or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A, provided that the annuity or benefit is based on service for which the member or survivor ~~is not also receiving~~ did not earn Social Security benefits;

(2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State Patrol retirement plan under chapter 352B, or the public employees police and fire plan under sections 353.63 to 353.666, provided that the annuity or benefit is based on service for which the member or survivor ~~is not also receiving~~ did not earn Social Security benefits;

(3) from any retirement system administered by the federal government that is based on service for which the recipient or the recipient's survivor ~~is not also receiving~~ did not earn Social Security benefits; or

(4) from a public retirement system of or created by another state or any of its political subdivisions, or the District of Columbia, if the income tax laws of the other state or district permit a similar deduction or exemption or a reciprocal deduction or exemption of a retirement or pension benefit received from a public retirement system of or created by this state or any political subdivision of this state.

(d) The commissioner must annually adjust the subtraction limits in paragraph (a) and the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year is taxable year 2023.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 20, is amended to read:

Subd. 20. **Delayed business interest.** (a) For each taxable year an addition is required under section ~~290.0131, subdivision 19~~ 290.0133, subdivision 15, the amount of the addition, less the sum of all amounts subtracted under this paragraph in all prior taxable years, that does not exceed the limitation on business interest in section 163(j) of the Internal Revenue Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed business interest carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction is allowed under this paragraph for taxable years beginning after December 31, 2022.

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

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

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2019.

Sec. 6. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended to read:

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

(b) "Dependent" means any individual who is considered a dependent under sections 151 and 152 of the Internal Revenue Code and was claimed by the taxpayer as a dependent.

(c) "Disability" has the meaning given in section 290A.03, subdivision 10.

(d) "Exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b).

(e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. The gross rent of a resident of a nursing home or intermediate care facility is \$600 per month. The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

(f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

(g) "Household" has the meaning given in section 290A.03, subdivision 4.

(h) "Household income" means all income received by all persons of a household in a taxable year while members of the household, other than income of a dependent.

(i) "Income" means adjusted gross income, minus:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

(j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 7. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 6, is amended to read:

Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care facilities, or facilities accepting housing support payments. (a) A taxpayer must not claim a credit under this section if the taxpayer is a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts housing support payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the housing support program under chapter 256I.

(b) If only a portion of the rent constituting property taxes is paid by these programs, the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction, the numerator of which is adjusted gross income, ~~reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program~~ and the denominator of which is adjusted gross income, plus vendor payments under the medical assistance program, to determine the allowable credit.

(c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the housing support program for only a portion of the taxable year covered by the claim, the taxpayer may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and may use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the taxpayer was not in the facility. The taxpayer's household income is the income for the entire taxable year covered by the claim.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 8. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 8, is amended to read:

Subd. 8. **One claimant per household.** Only one taxpayer per household per year is entitled to claim a credit under this section. In the case of a married couple filing a joint return, the couple may claim a credit under this section based on the total amount of both spouses' gross rent. In the case of a married taxpayer filing a separate return, only one spouse may claim the credit under this section. The credit amount for the spouse that claims the credit must be calculated based on household income and not solely on the income of the spouse.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023.

Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 2, is amended to read:

Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a credit against tax due under this chapter equal to 50 percent of ~~eligible expenses, not to exceed \$3,000 per mile, multiplied by the number of miles of railroad track owned or leased within the state by the eligible taxpayer for which the taxpayer made~~ the qualified railroad reconstruction or replacement expenditures as of the close of the taxable year for which the credit is claimed made by an eligible taxpayer within this state during the taxable year for which the credit is claimed.

(b) The credit allowed under paragraph (a) for any taxable year must not exceed the product of:

(1) \$3,000, multiplied by;

(2) the number of miles of railroad track owned or leased by the eligible taxpayer within this state as of the close of the taxable year for which the taxpayer made qualified railroad reconstruction or replacement expenditures for which the credit is claimed.

~~(b)~~ (c) If the amount of the credit determined under this section for any taxable year exceeds the liability for tax under this chapter, the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit that may be added under this paragraph must not exceed the taxpayer's liability for tax less the credit for the taxable year.

~~(c)~~ (d) An eligible taxpayer claiming a credit under this section may not also claim the credit under section 297I.20, subdivision 6, for the same qualified railroad reconstruction or replacement expenditures.

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

Sec. 10. Laws 2023, chapter 1, section 22, is amended to read:

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

(a) For the purposes of this section:

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

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

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

(b) The following amounts are subtractions:

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

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

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

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

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

(c) The following amounts are additions:

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

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

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

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

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

- (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e);
 - (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section 290.091;
- and

(3) "income" ~~as defined in Minnesota Statutes, section 289A.08, subdivision 7, paragraph (j),~~ for the purposes of determining the tax for composite filers and the pass-through entity tax, means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in Minnesota Statutes, section 290.0131, subdivisions 8 to 10, 16, 17, and 19, and the subtractions provided in (i) Minnesota Statutes, section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under Minnesota Statutes, section 290.17; and (ii) Minnesota Statutes, section 290.0132, subdivision 14. The subtraction allowed under Minnesota Statutes, section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

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

EFFECTIVE DATE. This section is effective retroactively at the same time the changes in Laws 2023, chapter 1, section 22, were effective for federal purposes.

ARTICLE 10

DEPARTMENT OF REVENUE; PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$500,000 of market value of class 1a property has a net classification rate of one percent of its market value; and the market value of class 1a property that exceeds \$500,000 has a classification rate of 1.25 percent of its market value.

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by:

- (1) any person who is blind as defined in section 256D.35, or the person who is blind and the spouse of the person who is blind;
- (2) any person who is permanently and totally disabled or by the person with a disability and the spouse of the person with a disability; or
- (3) the surviving spouse of a veteran who was permanently and totally disabled homesteading a property classified under this paragraph for taxes payable in 2008.

Property is classified and assessed under clause (2) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph, and that the property is not eligible for the valuation exclusion under subdivision 34.

Property is classified and assessed under paragraph (b) only if the commissioner of revenue or the county assessor certifies that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$50,000 market value of class 1b property has a net classification rate of .45 percent of its market value. The remaining market value of class 1b property is classified as class 1a ~~or~~ class 2a property, or class 4d(2) whichever is appropriate.

(c) Class 1c property is commercial use real and personal property that abuts public water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by the Department of Natural Resources, and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort, a partner in a partnership that owns the resort, or a member of a limited liability company that owns the resort even if the title to the homestead is held by the corporation, partnership, or limited liability company. For purposes of this paragraph, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. Class 1c property must provide recreational activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; provide marina services, launch services, or guide services; or sell bait and fishing tackle. Any unit in which the right to use the property is transferred to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies for class 1c even though it may remain available for rent. A camping pad offered for rent by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. If the same owner owns two separate parcels that are located in the same township, and one of those properties is classified as a class 1c property and the other would be eligible to be classified as a class 1c property if it was used as the homestead of the owner, both properties will be assessed as a single class 1c property; for purposes of this sentence, properties are deemed to be owned by the same owner if each of them is owned by a limited liability company, and both limited liability companies have the same membership. The portion of the property used as a homestead is class 1a property under paragraph (a). The remainder of the property is classified as follows: the first \$600,000 of market value is tier I, the next \$1,700,000 of market value is tier II, and any remaining market value is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and seasonal residential occupancy for recreation purposes in which all or a portion of the property was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the

assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated as class 1c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located must be designated as class 3a commercial. The owner of property desiring designation as class 1c property must provide guest registers or other records demonstrating that the units for which class 1c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same classification rates as class 1a property under paragraph (a).

EFFECTIVE DATE. This section is effective for assessment year 2025 and thereafter.

Sec. 2. Minnesota Statutes 2022, section 375.192, subdivision 2, is amended to read:

Subd. 2. **Procedure, conditions.** Upon written application by the owner of any property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. Except as provided in sections 469.1812 to 469.1815, no reduction or abatement may be granted on the basis of providing an incentive for economic development or redevelopment. Except as provided in section 375.194, the county board may consider and grant reductions or abatements on applications only as they relate to taxes payable in the current year and the two prior years; provided that reductions or abatements for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when the taxpayer fails to file for a reduction or an adjustment due to hardship, as determined by the county board. The application must include the Social Security number or individual taxpayer identification number of the applicant. The Social Security number ~~is and individual taxpayer identification number~~ are private data on individuals as defined by section 13.02, subdivision 12. All applications must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the

county auditor before consideration by the county board, except that the part of the application which is for the abatement of penalty or interest must be approved by the county treasurer and county auditor. Approval by the county or city assessor is not required for abatements of penalty or interest. No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. On any reduction or abatement when the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give notice within 20 days to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction.

An appeal may not be taken to the Tax Court from any order of the county board made in the exercise of the discretionary authority granted in this section.

The county auditor shall notify the commissioner of revenue of all abatements resulting from the erroneous classification of real property, for tax purposes, as nonhomestead property. For the abatements relating to the current year's tax processed through June 30, the auditor shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the Social Security number or individual taxpayer identification number of the applicant and such other information the commissioner prescribes.

EFFECTIVE DATE. This section is effective retroactively for abatement applications filed in 2023 and thereafter.

Sec. 3. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. ~~By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.~~ On or before September 1 of each year, the commissioner of revenue must certify the amount to be paid to each tier I city and county in that year. By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balances in the accounts established in section 477A.37, subdivisions 2 and 3, as of the immediately preceding June 1. The commissioner of revenue must pay the full amount of aid on October 1 annually.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), or if a tier I city or county uses funds for a project that does not qualify under this

section, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

- (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);
- (2) spends the funds on anything other than a qualifying project; or
- (3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

EFFECTIVE DATE. This section is effective for aids payable in 2024 and thereafter.

ARTICLE 11

DEPARTMENT OF REVENUE; MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 270C.445, subdivision 6, is amended to read:

Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The commissioner may impose an administrative penalty of not more than \$1,000 per violation of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed for any conduct for which a tax preparer penalty is imposed under section 289A.60, subdivision 13. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed under this paragraph are public data.

(b) In addition to the penalty under paragraph (a), if the commissioner determines that a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may issue an administrative order to the tax preparer requiring the tax preparer to cease and desist from committing the violation. The administrative order may include an administrative penalty provided in paragraph (a).

(c) If the commissioner issues an administrative order under paragraph (b), the commissioner must send the order to the tax preparer addressed to the last known address of the tax preparer.

(d) A cease and desist order under paragraph (b) must:

(1) describe the act, conduct, or practice committed and include a reference to the law that the act, conduct, or practice violates; and

(2) provide notice that the tax preparer may request a hearing as provided in this subdivision.

(e) Within 30 days after the commissioner issues an administrative order under paragraph (b), the tax preparer may request a hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed.

(f) If a tax preparer does not timely request a hearing regarding an administrative order issued under paragraph (b), the order becomes a final order of the commissioner and is not subject to review by any court or agency.

(g) If a tax preparer timely requests a hearing regarding an administrative order issued under paragraph (b), the hearing must be commenced by the issuance of a notice of and order for hearing by the commissioner within ~~ten~~ 30 days after the commissioner receives the request for a hearing.

(h) A hearing timely requested under paragraph (e) is subject to the contested case procedure under chapter 14, as modified by this subdivision. The administrative law judge must issue a report containing findings of fact, conclusions of law, and a recommended order within ~~ten~~ 30 days after the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later.

(i) Within ~~five~~ 15 days of the date of the administrative law judge's report issued under paragraph (h), any party aggrieved by the administrative law judge's report may submit written exceptions and arguments to the commissioner. Within ~~15~~ 45 days after receiving the administrative law judge's report, the commissioner must issue an order vacating, modifying, or making final the administrative order.

(j) The commissioner and the tax preparer requesting a hearing may by agreement lengthen any time periods prescribed in paragraphs (g) to (i).

(k) An administrative order issued under paragraph (b) is in effect until it is modified or vacated by the commissioner or an appellate court. The administrative hearing provided by paragraphs (e)

to (i) and any appellate judicial review as provided in chapter 14 constitute the exclusive remedy for a tax preparer aggrieved by the order.

(l) The commissioner may impose an administrative penalty, in addition to the penalty under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under this paragraph, the tax preparer assessed the penalty may request a hearing to review the penalty order. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The cease and desist order issued under paragraph (b) is not subject to review in a proceeding to challenge the penalty order under this paragraph. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. If the tax preparer does not timely request a hearing, the penalty order becomes a final order of the commissioner and is not subject to review by any court or agency. A penalty imposed by the commissioner under this paragraph may be collected and enforced by the commissioner as an income tax liability. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. A penalty imposed under this paragraph is public data.

(m) If a tax preparer violates a cease and desist order issued under paragraph (b), the commissioner may terminate the tax preparer's authority to transmit returns electronically to the state. Termination under this paragraph is public data.

(n) A cease and desist order issued under paragraph (b) is public data when it is a final order.

(o) Notwithstanding any other law, the commissioner may impose a penalty or take other action under this subdivision against a tax preparer, with respect to a return, within the period to assess tax on that return as provided by sections 289A.38 to 289A.382.

(p) Notwithstanding any other law, the imposition of a penalty or any other action against a tax preparer under this subdivision, other than with respect to a return, must be taken by the commissioner within five years of the violation of statute.

EFFECTIVE DATE. This section is effective for penalties assessed and orders issued after the day following final enactment.

Sec. 2. Minnesota Statutes 2022, section 289A.12, subdivision 18, is amended to read:

Subd. 18. ~~Returns~~ **Return by qualified heirs.** A qualified heir, as defined in section 291.03, subdivision 8, paragraph (c), must file ~~two returns~~ a return with the commissioner attesting that no disposition or cessation as provided by section 291.03, subdivision 11, paragraph (a), occurred. ~~The first return must be filed no earlier than 24 months and no later than 26 months after the decedent's death. The second return must be filed no earlier than 36 months and no later than 39 months after the decedent's death.~~

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 297E.06, subdivision 4, is amended to read:

Subd. 4. **Annual audit, and certified inventory, ~~and cash count~~.** (a) An organization licensed under chapter 349 with gross receipts from lawful gambling of more than \$750,000 in any year must have an annual financial audit of its lawful gambling activities and funds for that year. For the purposes of this subdivision, "gross receipts" does not include a licensed organization's receipts from electronic pull-tabs regulated under chapter 349 provided the electronic pull-tab manufacturer has completed an annual system and organization controls audit, containing standards that must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants.

(b) The commissioner may require a financial audit of the lawful gambling activities and funds of an organization licensed under chapter 349, with gross receipts less than \$750,000 annually, when an organization has:

- (1) failed to timely file required gambling tax returns;
- (2) failed to timely pay the gambling tax or regulatory fee;
- (3) filed fraudulent gambling tax returns;
- (4) failed to take corrective actions required by the commissioner; or
- (5) failed to otherwise comply with this chapter.

(c) Audits under this subdivision must be performed by an independent accountant firm licensed in accordance with chapter 326A.

(d) An organization licensed under chapter 349 must perform an annual certified inventory ~~and cash count~~ report at the end of its fiscal year and submit the report to the commissioner within 30 days after the end of its fiscal year. The report shall be on a form prescribed by the commissioner.

(e) The commissioner of revenue shall prescribe standards for the audits, and certified inventory, ~~and cash count reports~~ report required under this subdivision. The standards may vary based on the gross receipts of the organization. The standards must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants. A complete, true, and correct copy of the audits, and certified inventory, ~~and cash count~~ report must be filed as prescribed by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 297I.20, subdivision 4, is amended to read:

Subd. 4. **Film production credit.** (a) A taxpayer may claim a credit against the premiums tax imposed under this chapter equal to the amount indicated on the credit certificate statement issued to the company under section 116U.27. If the amount of the credit exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. This credit does not affect the calculation of fire state aid under section 477B.03 and police state aid under section 477C.03.

(b) This subdivision expires January 1, ~~2025~~ 2031, for taxable years beginning after and premiums received after December 31, ~~2024~~ 2030.

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

Sec. 5. Laws 2023, chapter 1, section 28, is amended to read:

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

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

(1) the periods under Minnesota Statutes, sections 289A.38; ~~289.39~~ 289A.39, subdivision 3; and 289A.40; or

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

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

EFFECTIVE DATE. This section is effective retroactively at the same time the changes incorporated in Laws 2023, chapter 1, were effective for federal purposes."

Delete the title and insert:

"A bill for an act relating to taxation; modifying individual income taxes, corporate franchise taxes, property taxes, local government aids, minerals taxes, sales and use taxes, gross receipts taxes, excise taxes, and other tax-related provisions; modifying and establishing income tax credits and subtractions; expanding the child tax credit and providing for a minimum credit; providing for nonconformity to certain worker classification rules; providing for an online political contribution refund system; modifying property tax exemptions, classifications, and abatements; adjusting local government aid calculations and payments and forgiving local government aid penalties; providing for transfers and distributions of proceeds of minerals taxes; providing for issuance of revenue bonds; modifying sales and use tax exemptions; providing sales and use tax construction materials exemptions; repealing the tax on illegal marijuana and controlled substances; providing special tax increment financing authority; authorizing cities and counties to impose local sales and use taxes for certain projects; providing for taxpayer assistance and outreach grants; providing aid for various uses; providing for certain policy and technical modifications; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71, subdivision 8; 270C.21; 270C.33, by adding a subdivision; 270C.445, subdivision 6; 272.01, subdivision 2; 272.02, subdivision 19, by adding subdivisions; 273.13, subdivisions 22, 23; 273.135, subdivision 2; 273.38; 273.41; 275.065, by adding a subdivision; 276.04, by adding a subdivision; 276A.01, subdivision 17; 276A.06, subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by adding subdivisions; 290.0686; 295.53, subdivision 4a; 297A.68, subdivision 42; 297A.70, subdivision 19; 297A.75, subdivision 1, as amended; 297A.99, subdivision 3; 297F.01, subdivisions 10b, 19; 297I.20, subdivision 4; 298.17; 298.2215, subdivision 1; 298.28, subdivision 8; 298.282, subdivision 1;

298.292, subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812, by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision; 473.757, subdivision 10; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4; Minnesota Statutes 2023 Supplement, sections 123B.71, subdivision 12; 126C.40, subdivision 6; 273.128, subdivision 1; 290.01, subdivisions 19, 31; 290.0132, subdivisions 4, 26, 34; 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 7, 8, by adding a subdivision; 290.0674, subdivision 1a; 290.0693, subdivisions 1, 6, 8; 290.0695, subdivisions 1, 2, 3; 290.091, subdivision 2; 290A.03, subdivision 3; 297A.67, subdivision 40; 297A.99, subdivision 1; 297E.06, subdivision 4; 297H.13, subdivision 2; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 477A.015; 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision; 477A.40, subdivisions 4, 5; Laws 2010, chapter 389, article 7, section 22, as amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections 22; 28; Laws 2023, chapter 64, article 4, section 27, by adding a subdivision; article 5, section 25, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 270C; 290; 297A; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 477A.35, subdivision 1; Laws 2023, chapter 64, article 15, section 24."

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

SECOND READING OF SENATE BILLS

S.F. No. 5234 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2476, 3488, 3911, 5040, and 5242 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Hoffman and Abeler introduced--

S.F. No. 5508: A bill for an act relating to workforce development; appropriating money for grants to African Career, Education, and Resources, Inc. and to the Organization of Liberians in Minnesota.

Referred to the Committee on Jobs and Economic Development.

Senators Abeler and Hoffman introduced--

S.F. No. 5509: A bill for an act relating to education; appropriating money for school system videos.

Referred to the Committee on Education Finance.

Senator Housley introduced--

S.F. No. 5510: A bill for an act relating to capital investment; appropriating money for water treatment plants in the city of Stillwater; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS**SPECIAL ORDERS**

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

H.F. Nos. 4757, 4124, and S.F. No. 4699.

SPECIAL ORDER

H.F. No. 4757: A bill for an act relating to cannabis; transferring enforcement of edible cannabinoid products to the Office of Cannabis Management; clarifying workplace testing for cannabis; making technical changes related to the taxation of cannabis and related products; replacing medical cannabis licenses with endorsements; establishing a petition process to designate cannabinoids as nonintoxicating or approved for use in lower-potency hemp edibles; authorizing lower-potency hemp edibles to contain certain artificially derived cannabinoids created in making delta-9 tetrahydrocannabinol; allowing testing of certain hemp products to be performed by labs meeting accreditation standards regardless of licensing status; authorizing patients enrolled in the registry program to obtain cannabis flower from registered designated caregivers; authorizing registered designated caregivers to cultivate cannabis plants on behalf of patients enrolled in the registry program; authorizing the Office of Cannabis Management to recall certain cannabis and related products; transferring the duties of the medical cannabis program to the Office of Cannabis Management on July 1, 2025; authorizing the appointment of deputy directors; clarifying the process for transfer of certain licenses; providing for license preapproval; removing the requirement that local governments perform certain inspections; removing the requirement that license applications be scored based on identified criteria and requiring that license applications be assessed based on certain minimum criteria; requiring employees of cannabis businesses to meet certain background check requirements; establishing social equity licenses; limiting the number of certain licenses that can be made available in an application period; providing for the conversion of a registration to sell certain hemp-derived products into a hemp business license; providing for a cannabis research license classification; authorizing the Office of Cannabis Management to adjust limits on cultivation area; permitting certain businesses to transport cannabis and related products between facilities operated by the business; replacing the prohibition on certain sales of lower-potency hemp products with a prohibition on selling to an obviously intoxicated person; providing for enforcement of unlicensed businesses engaging in activities that require a license; making technical and conforming changes; amending Minnesota Statutes 2022, sections 17.133, subdivision 1; 152.22, subdivisions 11, 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 1, 2, 3, 4, 6, by adding a subdivision; 152.28, subdivision 2; 152.29, subdivision 3; 181.950, subdivision 10; 181.952, as amended; Minnesota Statutes 2023 Supplement, sections 3.9224, subdivision 1; 151.72, subdivisions

1, 2, 3, 4, 5a, 5b, 6, 7; 152.28, subdivision 1; 152.30; 181.951, subdivisions 4, 5, 8; 181.954, subdivision 1; 342.01, subdivisions 14, 17, 19, 48, 50, 52, 54, 63, 64, 65, 66, by adding subdivisions; 342.02, subdivisions 2, 3, 6; 342.03, subdivisions 1, 4; 342.06; 342.07, subdivision 3; 342.09, subdivision 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, by adding a subdivision; 342.17; 342.18, subdivisions 2, 3, by adding subdivisions; 342.19, by adding a subdivision; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding subdivisions; 342.29, subdivision 4, by adding a subdivision; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivision 3; 342.46, subdivision 8; 342.51; 342.515, subdivision 1, by adding a subdivision; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 4; 342.60; 342.61, subdivisions 1, 4, 5; 342.62, by adding a subdivision; 342.63, subdivisions 2, 3, 6; 342.64, subdivision 1; 342.73, subdivision 4; 342.80; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, sections 10; 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 152.22, subdivision 3; 152.36; Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 28; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; Laws 2023, chapter 63, article 7, sections 4; 6.

Senator Port moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 12, after line 27, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 20, line 16, strike "commissioner" and insert "office"

Page 22, lines 15, 18, 21, 22, 25, 27, and 32, strike "commissioner" and insert "office"

Page 25, lines 9 and 22, strike "commissioner" and insert "office"

Page 34, line 16, delete everything after "hemp" and insert "grown pursuant to a license under chapter 18K"

Page 34, line 17, delete "3"

Page 62, lines 11 and 12, delete "license preapprovals" and insert "licenses"

Page 65, after line 20, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 66, after line 8, insert:

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

Page 66, after line 26, insert:

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

Page 67, after line 2, insert:

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

Page 67, after line 21, insert:

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

Page 68, after line 14, insert:

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

Page 87, line 20, delete everything after "effective" and insert "July 1, 2024."

Page 88, line 29, delete everything after "effective" and insert "July 1, 2024."

Page 90, line 17, delete everything after "effective" and insert "July 1, 2024."

Page 90, line 31, delete everything after "effective" and insert "July 1, 2024."

Page 91, line 24, delete everything after "effective" and insert "July 1, 2024."

Page 91, line 31, delete everything after "effective" and insert "July 1, 2024."

Page 92, line 18, delete everything after "effective" and insert "July 1, 2024."

Page 94, line 29, delete everything after "effective" and insert "July 1, 2024."

Page 102, line 11, delete everything after "effective" and insert "July 1, 2024."

Page 108, lines 12 and 13, reinstate the stricken language

Page 108, line 13, strike "March 1, 2025" and insert "July 1, 2024"

Page 108, after line 13, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 108, after line 24, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 108, after line 27, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, delete section 134 and insert:

"Sec. 134. Laws 2023, chapter 63, article 6, section 73, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (a) is effective ~~March~~ December 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 3, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 6, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 9, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 12, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 15, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 18, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 109, after line 21, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 114, line 25, delete "and" and insert a period

Page 114, delete lines 26 and 27

The motion prevailed. So the amendment was adopted.

Senator Port moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 63, line 15, delete "persons and entities" and insert "individuals"

Page 64, line 17, delete "controlling"

Page 64, line 24, delete "five" and insert "one"

Page 64, line 25, delete the first "three" and insert "one" and delete the first "businesses" and insert "business" and delete the second "three" and insert "one" and delete the second "businesses" and insert "business"

Page 64, line 26, delete "businesses" and insert "business"

Page 65, line 7, delete everything after the first period

Page 65, delete lines 8 to 10

Page 65, line 14, delete "(a)"

Page 65, delete lines 19 to 20 and insert:

"Subd. 8. **Disclosure requirements.** All applications pursuant to this chapter must include disclosures of ownership and control. The application must end with all individuals. The burden of providing the office with the disclosures of all required individuals rests with the applicant."

The motion prevailed. So the amendment was adopted.

Senator Port moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 111, line 4, delete everything after "period" and insert "by July 15, 2024, and must begin accepting applications on August 1, 2024"

Page 111, line 5, delete "applications"

Page 114, line 22, delete "may" and insert "must"

Senator Port moved to amend the third Port amendment to H.F. No. 4757 as follows:

Page 1, line 6, delete "22" and insert "29"

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

The question recurred on the adoption of the third Port amendment, as amended.

The roll was called, and there were yeas 34 and nays 29, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Frentz, and Oumou Verbeten.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Draheim, Housley, Miller, Rarick, Weber, Wesenberg, and Westrom.

The motion prevailed. So the third Port amendment, as amended, was adopted.

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 14, after line 26, insert:

"Sec. 10. Minnesota Statutes 2023 Supplement, section 152.0263, is amended by adding a subdivision to read:

Subd. 6. **Use of cannabis by a person under 21 years of age.** (a) It is a misdemeanor for a person under 21 years of age to unlawfully use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

(b) An offense under paragraph (a) may be prosecuted either in the jurisdiction where the use occurs or the jurisdiction where evidence of the use is observed.

(c) As used in this subdivision, "use" includes the ingestion of a prohibited item and the physical condition of having ingested a prohibited item.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to acts committed on or after that date.

Sec. 11. Minnesota Statutes 2023 Supplement, section 152.0263, is amended by adding a subdivision to read:

Subd. 7. **Possession of cannabis by a person under 21 years of age.** It is a misdemeanor for a person under 21 years of age to unlawfully possess any of the following:

(1) any amount up to four ounces of cannabis flower in any place other than the person's residence;

(2) any amount up to two pounds of cannabis flower in the person's residence;

(3) any amount up to 16 grams of cannabis concentrate; or

(4) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with any amount up to 1,600 milligrams of tetrahydrocannabinol.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to acts committed on or after that date."

Page 26, after line 17, insert:

"Sec. 25. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, ~~a violation of section 609.685,~~ or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a petty misdemeanor or misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to acts committed on or after that date.

Sec. 26. Minnesota Statutes 2022, section 260B.007, subdivision 18, is amended to read:

Subd. 18. **Juvenile controlled substance offense.** "Juvenile controlled substance offense" means a violation by a child of section ~~152.027, subdivision 4, with respect to a small amount of marijuana~~ 152.0263, subdivision 6 or 7, or an equivalent local ordinance.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to acts committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Rasmusson amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Abeler
Anderson
Bahr
Coleman

Dornink
Draheim
Drazkowski
Duckworth

Eichorn
Farnsworth
Green
Gruenhagen

Housley
Howe
Jasinski
Johnson

Koran
Kreun
Kunesh
Lang

Lucero
Mathews

Miller
Nelson

Pratt
Rarick

Rasmusson
Utke

Weber
Westrom

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Draheim, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

Boldon
Carlson
Champion
Cwodzinski
Dibble
Dziedzic
Fateh
Frentz

Gustafson
Hauschild
Hawj
Hoffman
Klein
Kupec
Latz
Lieske

Limmer
Mann
Marty
Maye Quade
McEwen
Mitchell
Mohamed
Morrison

Murphy
Oumou Verbeten
Pappas
Pha
Port
Putnam
Rest
Seeberger

Wesenberg
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, and Oumou Verbeten.

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

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

Senator Pha moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 40, after line 19, insert:

"Sec. 49. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

- (1) the director of the Office of Cannabis Management or a designee;
- (2) the commissioner of employment and economic development or a designee;
- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;
- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;

- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;
- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;
- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;
- (32) an expert in pediatric medicine appointed by the governor;
- (33) an expert in adult medicine appointed by the governor;
- (34) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with

experience in the mental health system or substance use disorder treatment system appointed by the governor;

(35) two licensed mental health professionals appointed by the governor;

(36) a veteran appointed by the governor;

(37) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

(i) the Fond du Lac Band;

(ii) the Grand Portage Band;

(iii) the Mille Lacs Band;

(iv) the White Earth Band;

(v) the Bois Forte Band;

(vi) the Leech Lake Band;

(vii) the Red Lake Nation;

(viii) the Upper Sioux Community;

(ix) the Lower Sioux Indian Community;

(x) the Shakopee Mdewakanton Sioux Community; and

(xi) the Prairie Island Indian Community; ~~and~~

(38) a representative from the Local Public Health Association of Minnesota appointed by the association; and

(39) one youth from a rural area and one youth from a metropolitan area who are both appointed by the governor. The youths must have been disproportionately affected by cannabis or has an immediate family member who was negatively affected by cannabis use. The youths must be between the ages of 18 and 24 years old."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rasmusson moved to amend the Pha amendment to H.F. No. 4757 as follows:

Page 3, line 13, after "cannabis" insert "or cannabis use"

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

Senator Rasmusson moved to amend the Pha amendment to H.F. No. 4757 as follows:

Page 3, line 13, delete "has" and insert "have"

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

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

Senator Pha moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 108, after line 9, insert:

"Sec. 122. Minnesota Statutes 2023 Supplement, section 342.70, subdivision 3, is amended to read:

Subd. 3. **Grants to organizations.** (a) The Division of Social Equity must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

(1) an analysis of the community's need for the proposed investment;

(2) a description of the positive impact that the proposed investment is expected to generate for that community;

(3) any evidence of the organization's ability to successfully achieve that positive impact;

(4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; ~~and~~

(7) a description of the organization's engagement with youth-centered, community-based organizations working with youth who are 14 to 24 years of age; and

(8) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give weight to the following:

(1) applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. ~~The office shall also give weight to;~~

(2) applications that support youth civic engagement, leadership, and youth-led health education opportunities, with preference for communities that have been most impacted by cannabis-related criminalization or incarceration; and

(3) applications where there is demonstrated community support for the proposed investment.

(e) The office shall fund investments in eligible communities throughout the state."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rasmusson moved to amend the second Pha amendment to H.F. No. 4757 as follows:

Page 1, line 30, delete "criminalization or incarceration" and insert "usage"

The question was taken on the adoption of the Rasmusson amendment to the second Pha amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Maye Quade, and Oumou Verbeten.

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

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

Senator Pha moved to amend the second Pha amendment to H.F. No. 4757 as follows:

Page 1, line 30, after "cannabis-related" insert "usage," and after "criminalization" insert a comma

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

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

Senator Pha moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 104, after line 4, insert:

"Sec. 117. Minnesota Statutes 2023 Supplement, section 342.62, is amended by adding a subdivision to read:

Subd. 1a. **Appeal to individuals under 21 years of age.** For the purposes of this section and section 342.64, "appeal to individuals under 21 years of age" means any of the following:

(1) the use of images, including but not limited to any of the following:

(i) images depicting cartoons, toys, or robots;

(ii) images depicting any real or fictional humans; and

(iii) images depicting any fictional animals or creatures;

(2) the use of images depicting fruits or vegetables, except when used to accurately describe ingredients or flavors contained in a product;

(3) the use of any images bearing a likeness to images, characters, or phrases that are popularly used to advertise to children;

(4) the use of any image imitating candy packaging or labeling, or imitating other packaging or labeling of cereals, sweets, chips, or other food products typically marketed to children;

(5) the use of terms "candy" or "candies" or variants in spelling of the term "candy," such as "kandy" or "kandee";

(6) the use of brand names or close imitations of brand names of candies, cereals, sweets, chips, or other food products typically marketed to children; and

(7) the use of any other image or packaging that could be easily confused with commercially available foods that do not contain cannabis and are typically marketed to children.

Sec. 118. Minnesota Statutes 2023 Supplement, section 342.62, subdivision 3, is amended to read:

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to ~~persons~~ individuals under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, and Oumou Verbeten.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

Wesenberg

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

The motion prevailed. So the amendment was adopted.

Senator Duckworth moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 61, after line 20, insert:

"(b) If any applicant that meets the minimum qualifications in subdivision 3 is a city or county seeking to establish, own, or operate a municipal cannabis store authorized under section 342.32, subdivision 5, the office must issue a license to that applicant. Notwithstanding paragraph (g), a license issued to a city or county must not be counted against the maximum number of licenses made available in an application period."

Reletter the paragraphs in sequence

The motion prevailed. So the amendment was adopted.

Senator Duckworth moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 114, delete section 137 and insert:

"Sec. 137. **EARLY CULTIVATION.**

Subdivision 1. **Early cultivation.** (a) The office shall issue premarket licenses for cannabis microbusiness applicants seeking a cultivation endorsement, cannabis mezzobusiness applicants seeking a cultivation endorsement, and cannabis cultivation applicants beginning July 1, 2024, to applicants that demonstrate operational readiness to commence cultivation pursuant to the requirements of subdivision 2.

(b) The office shall require a person cultivating cannabis plants under this section to comply with the temporary regulations in section 138 and any relevant portions of Minnesota Rules, parts 4770.0100 to 4770.4030.

(c) The office shall establish temporary guidelines for acceptance of applications and issuance of licenses through agency policy. Temporary guidelines expire when the office adopts initial rules pursuant to Minnesota Statutes, section 342.02, subdivision 5.

Subd. 2. **Requirements for premarket applicants.** (a) Applicants for a premarket cultivation license must meet all requirements of this chapter.

(b) Applicants for a premarket cultivation license must demonstrate operational readiness to commence cultivation through:

(1) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used for premarket cultivation, including the total amount of plant canopy;

(2) an operating plan demonstrating plans for managing and executing cultivation at the proposed scale, including staffing; wastewater and waste disposal for premarket cultivation activities; plans for providing electricity, water, and other utilities necessary for the normal operation of cultivation activities; and plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies;

(3) evidence that the applicant has secured a compliant facility for premarket cultivation activities, which includes:

(i) letters of intent or agreements contingent upon the granting of a premarket license;

(ii) deeds or other demonstration of ownership; or

(iii) leases;

(4) evidence of compliance with all local zoning and land-use regulations, which may include preliminary approvals or documentation demonstrating ongoing processes for obtaining the approvals; and

(5) evidence of compliance with required fire and construction regulations, only if a requirement exists, except that an applicant is not required to show proof of a completed inspection prior to application, but may not operate under this section until the inspections are complete.

(c) An applicant for a premarket license is not required to demonstrate readiness for full-scale operations beyond the premarket period.

(d) In addition to supplying product for the adult-use cannabis market, an applicant for premarket licensure must also agree to supply the medical cannabis market for three years.

Subd. 3. **Application; contents.** (a) An applicant for a premarket license must:

(1) complete an application that contains the information described in subdivision 2 and Minnesota Statutes, section 342.14, subdivision 1, on a form approved by the office; and

(2) pay the applicable application fee required under Minnesota Statutes, section 342.11.

(b) The office must not require an applicant to control or own any property on which or facility in which to operate a cannabis business at the time of the initial application, but the applicant must demonstrate its ability to obtain property control prior to September 1, 2024.

(c) The office must not require an applicant to demonstrate readiness for full-scale operations beyond the premarket period.

Subd. 4. **Application process.** (a) The office shall accept applications from microbusiness and mezzobusiness and cultivation applicants beginning on July 1, 2024 and ending July 15, 2024.

(b) The office shall begin processing applications upon receipt, in the following order of priority:

(1) cannabis microbusiness license applications from applicants meeting the requirements of Minnesota Statutes, section 342.17;

(2) cannabis mezzobusiness license applications from applicants meeting the requirements of Minnesota Statutes, section 342.17;

(3) cannabis cultivation license applications from applicants meeting the requirements of Minnesota Statutes, section 342.17;

(4) cannabis microbusiness license applications from applicants who do not meet the requirements of Minnesota Statutes, section 342.17;

(5) cannabis mezzobusiness license applications from applicants who do not meet the requirements of Minnesota Statutes, section 342.17; and

(6) cannabis cultivation license applications from applicants who do not meet the requirements of Minnesota Statutes, section 342.17.

(b) The office must deny an application for a premarket license that is:

(1) incomplete;

(2) contains a materially false statement about the applicant or omits material information about the applicant;

(3) fails to meet the minimum qualifications for the license in Minnesota Statutes, section 342.18, subdivision 3; or

(4) is not submitted by the deadline established by the office.

(c) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days, the office may deny the application.

(d) If the office denies an application for premarket licensing, the office must notify the applicant of the denial and the basis for the denial.

Subd. 5. **Issuance.** (a) The office must issue a premarket license to an applicant who meets the requirements in subdivisions 2 and 3.

(b) The office may stop issuing premarket licenses if market analysis indicates a risk of oversupply.

(c) The office shall issue licenses in the order applications were processed under this section.

(d) If the office issues fewer social equity applicant licenses than licenses issued to those who do not meet the requirements of Minnesota Statutes, section 342.17, the office shall reserve an amount of licenses equal to the difference for social equity applicants, and may open a second premarket license round open only to social equity applicants.

Subd. 6. **Purpose and restrictions.** (a) Premarket licenses are exclusively for the purpose of cultivating cannabis. It does not authorize manufacturing, distribution, or sale of cannabis under this chapter.

(b) A premarket license remains valid for the approved scale of cultivation until the licensee receives approval from the office to increase its scale of cultivation, or receives endorsements for other activities permitted under this chapter.

Subd. 7. **Revocation.** The office may revoke a premarket license if the license holder fails to meet any requirement of this chapter or violates this chapter.

Subd. 8. **Applicants; right to a reconsideration.** (a) An applicant that is not issued a premarket license may request a records review of the submitted application within seven calendar days of receiving notification that the application does not meet the minimum qualifications for a license under this section or Minnesota Statutes, section 342.18, subdivision 3.

(b) Upon an applicant's request, the office must allow the applicant to examine the applicant's records received by the office.

(c) If the office determines that an applicant is ineligible for a premarket license, the office must inform the applicant of any reasons that form the basis of the office's determination.

Subd. 9. **Conversion of premarket licenses.** (a) Upon submission of a form prescribed by the office, a premarket license under this section shall convert to a license under Minnesota Statutes, section 342.10, upon promulgation of rules under this chapter. License holders in this section must comply with the rules promulgated under this chapter within 90 days of conversion. All pre-market license holders must complete any additional requirements to obtain a cultivation endorsement under this chapter within 90 days of conversion. The office must not charge a fee for the conversion of a premarket license.

(b) A premarket license holder must be engaged in cultivation activities to qualify for a conversion of a premarket license, except that an outdoor cultivator may instead demonstrate the secured outdoor facility is ready for cultivation in accordance with the seasonal planting schedules appropriate to the climatic conditions of the area.

(c) Nothing in this section shall waive the requirements that a microbusiness or mezzobusiness provide the application materials required for endorsements that are not cultivation endorsements, prior to receipt of said endorsements.

(d) If a licensee fails to qualify for conversion of a premarket license, then the licensee can reapply without penalty once the office begins issuing microbusiness, mezzobusiness, and cultivation licenses under this chapter.

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

Sec. 138. **TEMPORARY REGULATION OF CULTIVATION.**

Subdivision 1. **Cultivation; generally.** (a) Only a pre-market license holder under Minnesota Statutes, chapter 342 is authorized to cultivate cannabis under this section.

(b) All phases of cultivation must take place in designated, restricted access areas that are monitored by a surveillance camera system in accordance with this section.

(c) The cultivation process must be designed to limit contamination by mold, fungus, bacterial diseases, rot, pests, nonorganic pesticides, and mildew.

(d) The licensee must maintain a record of all crop inputs for at least five years. The record must include the following:

(1) the date of application;

(2) the name of the employee applying the crop input;

(3) the name and description of the crop input that was applied, including the chemical name, product name, and manufacturer, where applicable;

(4) the section, including the square footage, that received the application by batch number;

(5) either the amount or concentration of the crop input, or both, that was applied;

(6) a copy of the label of the crop input applied; and

(7) the vendor or other origin of the crop input.

(e) At the time of planting, all plants must be tracked in a batch process with a unique batch number that must remain with the batch through final packaging.

(f) The batch number must be displayed on all containers and packaging.

(g) Each cultivation area must provide unobstructed access for observation and inventory of each plant group.

Subd. 2. Crop inputs used in cultivation of dried raw cannabis. (a) A license holder cultivating plants intended to become dried raw cannabis must follow practices and procedures that minimize the risk of chemical contamination or adulteration of the cannabis.

(b) A license holder may only apply a pesticide in the cultivation of cannabis if the pesticide has been:

(1) deemed to be minimum risk by the United States Environmental Protection Agency in accordance with Code of Federal Regulations, title 40, section 152.25(f), and exempted from United States Code, title 7, section 136m et seq., the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), and the pesticide's label does not exclude its use on a genus cannabis plant;

(2) registered with the United States Environmental Protection Agency under section 3 of FIFRA, United States Code, title 7, section 136m et seq., and is labeled for use on medical cannabis or cannabis used for human consumption; or

(3) registered with the United States Environmental Protection Agency under section 3 of FIFRA, United States Code, title 7, section 136m et seq., and:

(i) the active ingredient found in the pesticide is either exempt from the tolerance requirements in Code of Federal Regulations, title 40, part 180, subpart D, or does not require an exemption from the tolerance requirement in Code of Federal Regulations, title 40, part 180, subpart E;

(ii) the pesticide product label does not prohibit use within an enclosed structure for the site of application;

(iii) the pesticide product label expressly has directions for use on unspecified crops or plants intended for human consumption; and

(iv) the pesticide product is used in accordance with all applicable instructions, restrictions, and requirements on the product label.

(c) A license holder may use rooting hormones or cloning gels only during the propagation phase of the plant life cycle.

(d) A license holder must store all crop input stocks in their original containers with their original labels intact. The license holder must ensure that packaged fertilizers and containers of diluted or prepared fertilizer remain labeled with information as required in Minnesota Statutes, section 18C.215, at all times.

(e) The license holder must apply, store, and dispose of crop inputs, rinsate, and containers according to label instructions and all other applicable laws and regulations.

Subd. 3. **Storage.** (a) Cannabis must be prepared, handled, and stored in compliance with sanitation requirements of this section.

(b) A license holder must maintain appropriate temperatures and conditions that will protect plant material against physical, chemical, and microbial contamination or deterioration of the product or its container.

(c) A license holder must store plant material to prevent diversion, theft, or loss, including ensuring:

(1) harvested plant material is stored in a secure location at the end of the scheduled business day; and

(2) the tanks, vessels, bins, or bulk containers containing harvested plant material are locked inside a secure area if a process is not completed at the end of a business day.

(d) A license holder must store all plant material:

(1) in areas that are maintained in a clean, orderly, and well-ventilated condition; and

(2) in storage areas that are free from infestation by insects, rodents, birds, and other pests of any kind.

(e) To prevent degradation, a license holder must store all plant material under conditions that will protect it against physical, chemical, and microbial contamination of the product and its container.

Subd. 4. **Sanitation requirements.** A license holder must take all reasonable measures and precautions to ensure that:

(1) any employee who has a communicable disease does not perform any tasks that might contaminate plant material;

(2) hand-washing facilities are:

(i) convenient and furnished with running water at a suitable temperature;

(ii) located in all production areas; and

(iii) equipped with effective hand-cleaning and sanitizing preparations and sanitary towel service or electronic drying devices;

(3) all employees working in direct contact with plant material and cannabis must use hygienic practices while on duty, including:

(i) maintaining personal cleanliness; and

(ii) washing hands thoroughly in a hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated;

(4) litter and waste are routinely removed and the operating systems for waste disposal are routinely inspected;

(5) floors, walls, and ceilings where indoor cultivation occurs are constructed with a surface that can be easily cleaned and maintained in good repair to inhibit microbial growth;

(6) lighting is adequate in all areas where plant material is packaged or stored;

(7) where applicable, screening or other protection against the entry of pests is provided, including that rubbish is disposed of to minimize the development of odor and the potential for the waste becoming an attractant, harborage, or breeding place for pests;

(8) any buildings, fixtures, and other facilities are maintained in a sanitary condition;

(9) toxic cleaning compounds, sanitizing agents, and other potentially harmful chemicals are identified and stored in a separate location away from plant material and cannabis and in accordance with applicable local, state, or federal law;

(10) all contact surfaces, utensils, and equipment used in the production, packaging, or storage of plant material are maintained in a clean and sanitary condition;

(11) the water supply is sufficient for necessary operations;

(12) plumbing size and design meets operational needs and all applicable state and local laws;

(13) employees have accessible toilet facilities that are sanitary and in good repair; and

(14) plant material that could support the rapid growth of undesirable microorganisms are isolated to prevent the growth of those microorganisms.

Subd. 5. **Personnel identification.** (a) A license holder must use a personnel identification system that controls and monitors individual employee access to restricted access areas within the cultivation facility, any storage facility, or any secured outdoor area used for cultivation.

(b) The employee must have an identification card that contains:

(1) the name of the cardholder;

(2) the date of issuance and expiration;

(3) an alphanumeric identification number that is unique to the cardholder; and

(4) a photographic image of the cardholder.

(c) A license holder's employee must keep the employee's identification card visible at all times when in a secured access area.

(d) Any visitor to a restricted access area must wear a visitor pass issued by the license holder that is visible at all times.

(e) Upon termination of an employee, a license holder must obtain and destroy the terminated employee's identification card.

(f) A license holder must post signs in a conspicuous location at each entrance of any building or secured outdoor area used for cultivation of cannabis that reads: "PERSONS UNDER TWENTY-ONE YEARS OF AGE NOT PERMITTED IN RESTRICTED ACCESS AREAS," and "THESE PREMISES ARE UNDER CONSTANT VIDEO SURVEILLANCE."

Subd. 6. **Security systems.** (a) A license holder must install and maintain a professionally monitored security alarm system. A license holder's security alarm system and all devices must continue to operate during a power outage. The office must have the ability to access a license holder's security alarm system. The license holder's security alarm system must be inspected and all devices tested annually by a qualified alarm vendor.

(b) The security alarm system must provide intrusion and fire detection of all:

(1) facility entrances and exits;

(2) rooms with exterior windows;

(3) rooms with exterior walls;

(4) roof hatches;

(5) skylights;

(6) storage rooms; and

(7) perimeter of any secured outdoor cultivation area.

(c) For the purposes of this section, "security alarm system" means a device or series of devices that summons law enforcement personnel during, or as a result of, an alarm condition. Devices may include:

(1) hardwired systems and systems interconnected with a radio frequency method such as cellular or private radio signals that emit or transmit a remote or local audio, visual, or electronic signal;

(2) motion detectors;

(3) pressure switches;

(4) a duress alarm;

(5) a panic alarm;

(6) a holdup alarm;

(7) an automatic voice dialer; and

(8) a failure notification system that provides an audio, text, or visual notification of any failure in the surveillance system.

(d) A license holder must operate and maintain in good working order a closed-circuit television (CCTV) surveillance system on all of its premises, which must operate 24 hours per day, seven days per week. The surveillance system must visually record:

(1) all phases of production;

(2) all areas that might contain plant material and cannabis, including all safes and vaults;

(3) all points of entry and exit, including sales areas;

(4) the entrance to the video surveillance room; and

(5) any parking lot, which must have appropriate lighting for the normal conditions of the area under surveillance.

(e) Cameras must:

(1) capture clear and certain identification of any person entering or exiting a manufacturing facility or distribution facility;

(2) have the ability to produce a clear, color, still photo either live or from a recording;

(3) have an embedded date-and-time stamp on all recordings that must be synchronized and not obscure the picture; and

(4) continue to operate during a power outage.

(f) A license holder must maintain recordings that:

(1) export still images in an industry standard image format, including .jpg, .bmp, or .gif;

(2) are archived in a proprietary format that ensures authentication and guarantees that the recorded image has not been altered; and

(3) are saved in an industry standard file format that can be played on a standard computer operating system.

(g) All recordings must be erased or destroyed before disposal.

(h) The license holder must maintain all security system equipment and recordings in a secure location to prevent theft, loss, destruction, corruption, and alterations.

(i) The license holder must ensure that 24-hour recordings from all video cameras are:

(1) available for viewing by the office upon request;

(2) retained for at least 90 calendar days;

(3) maintained free of alteration or corruption; and

(4) retained longer, as needed, if the license holder is given actual notice of a pending criminal, civil, or administrative investigation, or other legal proceeding for which the recording may contain relevant information.

Subd. 7. **Record keeping requirements.** (a) A license holder must maintain for at least five years complete, legible, and current records including the amount of plants being grown by the license holder on a daily basis.

(b) A license holder must maintain records that reflect all financial transactions and the financial condition of the business. The following records must be maintained for at least five years, unless otherwise specified by the office, and made available for review, upon request of the office:

(1) purchase invoices, bills of lading, transport manifests, sales records, copies of bills of sale, and any supporting documents, to include the items or services purchased, from whom the items were purchased, and the date of purchase;

(2) bank statements and canceled checks for all business accounts;

(3) accounting and tax records;

(4) records of all financial transactions, including contracts and agreements for services performed or services received;

(5) all personnel records;

(6) crop inputs applied to the growing medium, plants, or plant material used in production;

(7) production records;

(8) transportation records;

(9) inventory records;

(10) records of all samples sent to a testing laboratory and the quality assurance test results; and

(11) records of any theft, loss, or other unaccountability of any cannabis or plant material."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Kupec moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 54, after line 2, insert:

"(i) In the event that complying with the 30-day requirement would require townships to hold a meeting outside of the township's regularly scheduled meetings, a township may wait to consider an application and certification form until the next scheduled meeting. A township must return the completed form to the office within 30 days of the regularly scheduled meeting."

Page 54, line 3, delete "(i)" and insert "(j)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

Green Wesenberg

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

The motion prevailed. So the amendment was adopted.

Senator Nelson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 107, line 14, after "information" insert "specified by the office"

Page 107, line 15, after the third comma, insert "risks to mental health, risks to the developing brain, contraindications during pregnancy and breastfeeding, addiction potential, medication interactions, interactions with preexisting medical conditions," and before "health" insert "other" and after "risks" insert "supported by science"

Page 107, line 17, after "statement" insert "specified by the office"

Page 107, line 18, strike everything after "machinery" and insert "for eight hours after consuming edible THC-containing products or for four hours after smoking or vaping THC-containing products"

Page 107, line 19, strike everything before the semicolon

Page 107, line 20, after "resources" insert "specified by the office that"

Page 108, line 2, strike the colon

Page 108, strike lines 3 to 5

Page 108, line 6, strike "(2)"

Senator Draskowski moved to amend the Nelson amendment to H.F. No. 4757 as follows:

Page 1, line 9, delete "eight" and insert "ten"

The question was taken on the adoption of the Draskowski amendment to the Nelson amendment.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Draskowski	Housley	Lieske	Rarick
Anderson	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Seeberger
Coleman	Frentz	Johnson	Mathews	Utke
Dahms	Green	Koran	Miller	Weber
Dornink	Gruenhagen	Kreun	Nelson	Westrom
Draheim	Hauschild	Lang	Pratt	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

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

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

The question recurred on the adoption of the Nelson amendment, as amended.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

Wesenberg

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

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

Senator Nelson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 40, after line 19, insert:

"Sec. 49. Minnesota Statutes 2023 Supplement, section 342.03, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

- (1) the director of the Office of Cannabis Management or a designee;
- (2) the commissioner of employment and economic development or a designee;
- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;

- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;
- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;
- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;
- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;

(32) an expert in pediatric medicine appointed by the governor;

(33) an expert in adult medicine appointed by the governor;

(34) an expert in clinical pharmacy appointed by the governor;

(35) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with experience in the mental health system or substance use disorder treatment system appointed by the governor;

~~(35)~~ (36) two licensed mental health professionals appointed by the governor;

~~(36)~~ (37) a veteran appointed by the governor;

~~(37)~~ (38) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

(i) the Fond du Lac Band;

(ii) the Grand Portage Band;

(iii) the Mille Lacs Band;

(iv) the White Earth Band;

(v) the Bois Forte Band;

(vi) the Leech Lake Band;

(vii) the Red Lake Nation;

(viii) the Upper Sioux Community;

(ix) the Lower Sioux Indian Community;

(x) the Shakopee Mdewakanton Sioux Community; and

(xi) the Prairie Island Indian Community; and

~~(38)~~ (39) a representative from the Local Public Health Association of Minnesota appointed by the association."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Nelson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 108, after line 9, insert:

"Sec. 122. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 1, is amended to read:

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains ~~unverified~~ claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, candy, dessert, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; ~~and~~

(6) contains an image of alcohol or a person or persons consuming alcohol; and

(7) does not contain a warning as specified by the office regarding impairment and health risks."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Nelson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 7, after line 12, insert:

"Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.215, subdivision 1, is amended to read:

Subdivision 1. **Model program.** The commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, shall identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, consistent with local standards as required in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary school students. The commissioner must publish a list of model programs that include written materials, resources, and training for instructors by ~~June~~ January 1,

2025. A model program identified by the commissioner must be medically accurate, age and developmentally appropriate, culturally inclusive, and grounded in science, and must address:

(1) the physical and mental health effects of cannabis use and substance use by children, adolescents, and persons under 25 years of age, including effects on the developing brains of children, adolescents, and persons under 25 years of age;

(2) unsafe or unhealthy behaviors associated with cannabis use and substance use;

(3) signs of substance use disorders;

(4) treatment options; and

(5) healthy coping strategies for children and adolescents.

Sec. 4. Minnesota Statutes 2023 Supplement, section 120B.215, subdivision 2, is amended to read:

Subd. 2. **School programs.** (a) Starting in the ~~2026-2027~~ 2025-2026 school year, a school district or charter school must implement a comprehensive education program on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, for students in middle school and high school. The program must include instruction on the topics listed in subdivision 1 and must:

(1) respect community values and encourage students to communicate with parents, guardians, and other trusted adults about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl; and

(2) refer students to local resources where students may obtain medically accurate information about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and treatment for a substance use disorder.

(b) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10 and 120B.11.

Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.215, is amended by adding a subdivision to read:

Subd. 2a. **School program discretion.** A school district or charter school may adopt programs to discourage and prevent underage substance abuse."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Rarick, Weber, and Westrom.

Those who voted in the negative were:

Wesenberg

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

The motion prevailed. So the amendment was adopted.

Senator McEwen moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 80, lines 5 to 8, reinstate the stricken language and delete the new language

Page 116, after line 23, insert:

"(e) Minnesota Statutes 2023 Supplement, section 342.28, subdivision 4, is repealed."

Amend the title accordingly

CALL OF THE SENATE

Senator Pratt imposed a call of the Senate for the balance of the proceedings on the McEwen amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the McEwen amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Oumou Verbeten, and Pha.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

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

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 51, strike lines 12 and 13

Renumber the clauses in sequence

Page 52, strike lines 26 to 28

Reletter the paragraphs in sequence

Page 116, after line 23, insert:

"(e) Minnesota Statutes 2023 Supplement, sections 342.01, subdivision 47; and 342.28, subdivision 4, are repealed."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

Abeler	Champion	Dziedzic	Gustafson	Hoffman
Boldon	Cwodziński	Fateh	Hauschild	Klein
Carlson	Dibble	Frentz	Hawj	Kunesh

Kupec
Latz
Mann
Marty

Maye Quade
McEwen
Mitchell
Mohamed

Morrison
Murphy
Oumou Verbeten
Pappas

Pha
Port
Putnam
Rest

Seeberger
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Oumou Verbeten, and Pha.

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

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 40, after line 19, insert:

"Sec. 49. Minnesota Statutes 2023 Supplement, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information

collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

- (1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;
- (2) provide market stability;
- (3) ensure a competitive market; and
- (4) limit the sale of unregulated cannabis flower and cannabis products.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

- (1) the status of the regulated cannabis industry;
- (2) the status of the illicit cannabis market and hemp consumer industry;
- (3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;
- (4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;
- (5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;
- (6) the status of racial and geographic diversity in the cannabis industry;
- (7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;
- (8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and
- (9) recommendations for the levels of funding for:
 - (i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of

cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development ~~in social equity communities~~ through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection canines; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies."

Page 47, line 20, delete the new language

Page 47, lines 27 to 29, delete the new language and strike the old language

Page 48, lines 1 and 2, delete the new language

Reletter the paragraphs in sequence

Page 52, strike line 21

Renumber the clauses in sequence

Page 58, delete section 62

Page 59, delete section 63

Page 61, delete lines 30 to 33

Page 62, delete lines 1 to 4

Page 62, line 5, delete "(f)" and insert "(e)"

Page 108, after line 9, insert:

"Sec. 122. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

~~(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.~~

Sec. 123. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 3, is amended to read:

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers; ~~particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;~~

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. ~~The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants.~~ The office shall fund technical assistance to farmers throughout the state.

Sec. 124. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 4, is amended to read:

Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects; and

(5) can establish and administer a revolving loan account; ~~and.~~

~~(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.~~

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Sec. 125. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 5, is amended to read:

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. ~~Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.~~

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Sec. 126. Minnesota Statutes 2023 Supplement, section 342.73, subdivision 7, is amended to read:

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, ~~particularly those located in areas where long-term residents are eligible to be social equity applicants.~~"

Page 110, line 31, delete "social equity applicants and"

Page 111, line 10, delete everything after "Only"

Page 111, line 11, delete everything before "a"

Page 111, line 18, delete everything after the period

Page 111, delete line 19

Page 112, line 4, delete "qualified social equity applicants" and insert "local units of government"

Page 112, line 26, delete everything after "(c)"

Page 112, delete line 27

Page 112, line 28, delete everything before "A"

Page 113, line 29, delete "social equity" and insert "local unit of government's"

Page 113, line 30, delete "applicant's"

Page 116, line 18, after "28," insert "29,"

Page 116, line 19, after "55;" insert "342.02, subdivision 8; 342.17;" and delete "and" and after "subdivision 9" insert "; and 342.70"

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

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

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 59, after line 16, insert:

"(c) An applicant does not qualify as a social equity applicant if the applicant:

(1) has been convicted of or adjudicated delinquent for:

(i) a crime of violence, as defined in section 624.712, subdivision 5;

(ii) a crime described in section 243.166, subdivision 1b; or

(iii) a violation of section 518B.01, 609.2242, 609.749, or 629.75; or

(2) has been convicted of or adjudicated delinquent for any of the offenses described in section 609.165; 609.66; 609.661; 609.665; 609.666; 609.667; 609.67; 624.713; 624.7131; 624.7132; 624.7133; 624.7134; 624.714; 624.7141; 624.7142; 624.7144; 624.716; 624.7177; 624.7181; or 624.7191; or any violation of chapter 152 or 609 where the person was found to have used a firearm in the commission of the offense."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Rarick, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

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

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 55, line 18, before "The" insert "(a)"

Page 55, after line 24, insert:

"(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after May 1, 2023.

"(c) The office must not issue a cannabis business license to any person or business who violated this chapter after May 1, 2023. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Oumou Verbeten, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Rarick, Weber, and Westrom.

The motion prevailed. So the amendment was adopted.

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 114, delete section 137

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Rasmusson moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 43, line 2, strike "or"

Page 43, line 5, strike the period and insert "; or"

Page 43, after line 5, insert:

"(10) use or consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on public property."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Gruenhagen moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 42, line 21, strike "in" and insert "within 1,000 feet of"

Page 42, line 24, before the semicolon, insert ". This clause does not apply on private property"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Gruenhagen moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 48, line 18, strike "Except as provided in section 342.22," and strike "not"

Page 69, line 4, before "A" insert "Unless prohibited by a local unit of government as provided in section 342.13,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Gruenhagen moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 14, after line 26, insert:

"Sec. 10. Minnesota Statutes 2023 Supplement, section 152.0264, subdivision 1, is amended to read:

Subdivision 1. **Sale of cannabis in the first degree.** An adult is guilty of the sale of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the adult:

(1) unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

~~(1) to a minor and the defendant is more than 36 months older than the minor;~~

~~(2)~~ (i) within ten years of two or more convictions under subdivision 2 or 3; or

~~(3)~~ (ii) within ten years of a conviction under this subdivision; or

(2) unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under the age of 21 and the defendant is more than 36 months older than the other person.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2023 Supplement, section 152.0264, subdivision 2, is amended to read:

Subd. 2. **Sale of cannabis in the second degree.** An adult is guilty of sale of cannabis in the second degree and may be sentenced to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both, if the adult:

(1) unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(i) in a school zone, a park zone, or a drug treatment facility; or

(ii) within ten years of a conviction under subdivision 1, 2, or 3; or

(2) unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a ~~minor~~ person under the age of 21.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, and Weber.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Abeler moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 25, lines 4 and 5, strike "21" and insert "25"

Page 37, line 24, strike "21" and insert "25"

Page 41, lines 22 and 30, strike "21" and insert "25"

Page 42, lines 14 and 30, strike "21" and insert "25"

Page 57, line 9, strike "21" and insert "25"

Page 70, line 2, strike "21" and insert "25"

Page 71, lines 3, 4, 5, 7, and 11, strike "21" and insert "25"

Page 72, after line 3, insert:

"Sec. 76. Minnesota Statutes 2023 Supplement, section 342.26, subdivision 3, is amended to read:

Subd. 3. **Extraction and concentration.** (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least ~~24~~ 25 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Sec. 77. Minnesota Statutes 2023 Supplement, section 342.27, subdivision 2, is amended to read:

Subd. 2. Sale of cannabis and cannabinoid products. (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least ~~24~~ 25 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Sec. 78. Minnesota Statutes 2023 Supplement, section 342.27, subdivision 3, is amended to read:

Subd. 3. **Sale of other products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under ~~24~~ 25 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or tetrahydrocannabinol:

(1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;

(2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;

(3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;

(4) multiple-use bags designed to carry purchased items;

(5) clothing marked with the specific name, brand, or identifying logo of the retailer;

(6) hemp fiber products and products that contain hemp grain; and

(7) products that detect the presence of fentanyl or a fentanyl analog.

Sec. 79. Minnesota Statutes 2023 Supplement, section 342.27, subdivision 4, is amended to read:

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least ~~24~~ 25 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis flower or adult-use cannabis products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Sec. 80. Minnesota Statutes 2023 Supplement, section 342.27, subdivision 6, is amended to read:

Subd. 6. **Posting of notices.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

(1) information about any product recall;

(2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and

(3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least ~~24~~ 25 years of age."

Page 72, after line 32, insert:

"Sec. 83. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person,

cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under ~~21~~ 25 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Sec. 84. Minnesota Statutes 2023 Supplement, section 342.28, subdivision 10, is amended to read:

Subd. 10. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment, provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under ~~21~~ 25 years of age;

(2) permit an individual who is under ~~21~~ 25 years of age to enter the premises;

(3) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(4) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(5) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(6) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(7) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(8) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products."

Page 74, after line 5, insert:

"Sec. 86. Minnesota Statutes 2023 Supplement, section 342.29, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under ~~21~~ 25 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought."

Page 75, after line 4, insert:

"Sec. 89. Minnesota Statutes 2023 Supplement, section 342.31, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, another cannabis manufacturer, or a cannabis wholesaler;

(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) accept cannabis flower from unlicensed persons who are at least ~~21~~ 25 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(5) make cannabis concentrate;

(6) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(7) manufacture artificially derived cannabinoids;

(8) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(9) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(10) sell cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(11) perform other actions approved by the office."

Page 75, after line 21, insert:

"Sec. 91. Minnesota Statutes 2023 Supplement, section 342.32, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under ~~21~~ 25 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought."

Page 76, after line 6, insert:

"Sec. 93. Minnesota Statutes 2023 Supplement, section 342.34, subdivision 4, is amended to read:

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under ~~21~~ 25 years of age."

Page 76, after line 31, insert:

"Sec. 96. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 4, is amended to read:

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least ~~21~~ 25 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under ~~21~~ 25 allowed." The lettering of the sign shall be not less than one inch in height."

Page 77, line 16, strike "21" and insert "25"

Page 78, after line 22, insert:

"Sec. 98. Minnesota Statutes 2023 Supplement, section 342.40, subdivision 8, is amended to read:

Subd. 8. **Cannabis event on-site consumption.** (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least ~~21~~ 25 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabis products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor from electronic delivery devices."

Page 78, after line 32, insert:

"Sec. 100. Minnesota Statutes 2023 Supplement, section 342.41, subdivision 2, is amended to read:

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under ~~24~~ 25 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

(4) evidence that the business will comply with the applicable operation requirements for the license being sought."

Page 79, after line 16, insert:

"Sec. 102. Minnesota Statutes 2023 Supplement, section 342.42, subdivision 1, is amended to read:

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least ~~24~~ 25 years of age or is enrolled in the registry program. Section 342.27, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Sec. 103. Minnesota Statutes 2023 Supplement, section 342.42, subdivision 2, is amended to read:

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least ~~24~~ 25 years of age or enrolled in the registry program."

Page 80, after line 9, insert:

"Sec. 105. Minnesota Statutes 2023 Supplement, section 342.44, subdivision 2, is amended to read:

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

- (1) is at least ~~24~~ 25 years of age;
 - (2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;
 - (3) has paid the applicable application and license fees pursuant to section 342.11;
 - (4) is not employed by the office or any state agency with regulatory authority over this chapter; and
 - (5) does not hold any cannabis business license.
- (b) Licenses must be renewed annually.
- (c) Licenses may not be transferred.

Sec. 106. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 1, is amended to read:

Subdivision 1. **Sale of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least ~~21~~ 25 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Sec. 107. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 3, is amended to read:

Subd. 3. **Age verification.** Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least ~~21~~ 25 years of age. Section 342.27, subdivision 4, applies to the verification of a customer's age."

Page 81, after line 6, insert:

"Sec. 109. Minnesota Statutes 2023 Supplement, section 342.46, subdivision 7, is amended to read:

Subd. 7. **Prohibitions.** A lower-potency hemp edible retailer may not:

(1) sell lower-potency hemp edibles to an individual who is under ~~21~~ 25 years of age;

(2) sell a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises."

Page 104, after line 4, insert:

"Sec. 137. Minnesota Statutes 2023 Supplement, section 342.62, subdivision 3, is amended to read:

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under ~~24~~ 25 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food."

Page 108, after line 9, insert:

"Sec. 143. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 1, is amended to read:

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(4) depicts a person under ~~24~~ 25 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or

(5) includes an image designed or likely to appeal to individuals under ~~24~~ 25 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under ~~24~~ 25 years of age or encourage consumption by individuals under ~~24~~ 25 years of age; and

(6) does not contain a warning as specified by the office regarding impairment and health risks.

Sec. 144. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 3, is amended to read:

Subd. 3. **Audience under ~~24~~ 25 years of age.** Except as provided in subdivision 2, a cannabis business, hemp business, or other person shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under ~~24~~ 25 years of age, as determined by reliable, current audience composition data.

Sec. 145. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 5, is amended to read:

Subd. 5. **Advertising using direct, individualized communication or dialogue.** Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is ~~24~~ 25 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Sec. 146. Minnesota Statutes 2023 Supplement, section 342.64, subdivision 6, is amended to read:

Subd. 6. **Advertising using location-based devices.** A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is ~~24~~ 25 years of age or older.

Sec. 147. Minnesota Statutes 2023 Supplement, section 342.66, subdivision 6, is amended to read:

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under ~~24~~ 25 years of age.

Sec. 148. Minnesota Statutes 2023 Supplement, section 342.80, is amended to read:

342.80 LAWFUL ACTIVITIES.

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under ~~24~~ 25 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 39, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Housley	Lieske	Utke
Anderson	Duckworth	Howe	Mathews	Weber
Bahr	Eichorn	Jasinski	Miller	Wesenberg
Coleman	Farnsworth	Johnson	Nelson	
Dahms	Green	Koran	Rarick	
Dornink	Gruenhagen	Lang	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

Senator Eichorn moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 58, after line 22, insert:

"(4) is a woman who operates a women-owned business as defined in section 116J.8737, subdivision 1, paragraph (n);"

Renumber the paragraphs in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Wesenberg.

The motion prevailed. So the amendment was adopted.

Senator Koran moved to amend H.F. No. 4757, the first unofficial engrossment, as follows:

Page 69, line 32, after the second "business" insert ". Age verification compliance checks of cannabis businesses must take place"

Page 70, line 1, after "year" insert "and age verification compliance checks of hemp businesses must take place at least once every three years"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

RECONSIDERATION

Having voted on the prevailing side, Senator Dibble moved that the vote whereby the Koran amendment to H.F. No. 4757 was adopted on May 3, 2024, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Koran amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

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

H.F. No. 4757 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Oumou Verbeten, and Pha.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Wesenberg.

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

SPECIAL ORDER

H.F. No. 4124: A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying and extending prior appropriations; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4.

Senator Hawj moved to amend H.F. No. 4124, as amended pursuant to Rule 45, adopted by the Senate May 2, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 5116.)

Delete everything after the enacting clause and insert:

"ARTICLE 1

OUTDOOR HERITAGE FUND

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. The appropriations in this article are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. OUTDOOR HERITAGE FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>192,711,000</u>
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This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Prairies</u>	<u>-0-</u>	<u>19,439,000</u>
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(a) Northern Tallgrass Prairie National Wildlife Refuge, Phase 14

\$4,412,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and restore and enhance lands within the Northern Tallgrass Prairie Habitat

Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(b) Accelerating Wildlife Management Area Program, Phase 16

\$5,315,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(c) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase 10

\$3,794,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands within the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(d) Martin County DNR WMA Acquisition, Phase 8

\$2,589,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance strategic prairie grassland, wetland, and other wildlife habitat within Martin County for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$1,921,000 to Fox Lake Conservation League, Inc.; \$613,000 to Ducks Unlimited; and \$55,000 to the Conservation Fund.

(e) DNR Grassland Enhancement, Phase 16

\$1,427,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas, in scientific and natural areas, in aquatic management areas, on lands in the native prairie bank, in bluff prairies on state forest land in southeastern Minnesota, and in waterfowl production areas and refuge lands of the United States Fish and Wildlife Service.

(f) Enhanced Public Land - Grasslands, Phase 7

\$1,902,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands within the forest prairie transition, metro urban, and prairie ecoregions of Minnesota.

Subd. 3. Forests

-0-

32,164,000

(a) Minnesota Heritage Forest - Transition to Public Ownership Program

\$22,647,000 the second year is to the commissioner of natural resources to acquire priority forest habitat lands in fee as wildlife management areas, scientific and natural

areas, state forests, and county forests. Of this amount, \$11,737,000 is for an agreement with Northern Waters Land Trust.

(b) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase 12

\$2,068,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Up to \$110,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Riparian Habitat Protection in Kettle and Snake River Watersheds, Phase 2

\$1,569,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Pine County Soil and Water Conservation District, to acquire permanent conservation easements to protect high-quality forests, wetlands, and shoreline within the Kettle and Snake River watersheds. Up to \$150,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) DNR Forest Habitat Enhancement, Phase 4

\$1,727,000 the second year is to the commissioner of natural resources to restore

and enhance forest wildlife habitats on public lands throughout Minnesota.

(e) Young Forest Conservation, Phase 4

\$2,229,000 the second year is to the commissioner of natural resources for an agreement with the American Bird Conservancy to enhance publicly owned, permanently protected forest lands for wildlife management.

(f) Floodplain and Upland Forest Enhancement - Mississippi River, Phase 5

\$1,924,000 the second year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain and upland forest habitat for wildlife on public lands along the Mississippi River and Mississippi River tributaries.

Subd. 4. Wetlands

-0-

38,412,000

(a) Wild-Rice Shoreland Protection, Phase 9

\$2,042,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements on wild-rice lake shoreland habitat for native wild-rice bed protection. Of this amount, up to \$110,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(b) Shallow Lake and Wetland Protection and Restoration Program, Phase 13

\$7,670,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and

managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes.

(c) RIM Wetlands - Restoring Most Productive Habitat in Minnesota, Phase 13

\$3,202,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$50,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) Accelerating Waterfowl Production Area Acquisition Program, Phase 16

\$7,020,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota.

(e) DNR Accelerated Shallow Lakes and Wetland Enhancement, Phase 16

\$3,809,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide.

(f) Nelson Slough - East Park Wildlife Management Area

\$4,174,000 the second year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac

Rivers Watershed District to restore and enhance wetland and upland wildlife habitat on Nelson Slough and East Park Wildlife Management Area in Marshall County, Minnesota.

(g) Wetland Habitat Protection and Restoration Program, Phase 9

\$2,128,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to restore and enhance prairie, wetland, and other habitat on permanently protected conservation easements in high-priority wetland habitat complexes within the prairie, forest/prairie transition, and forest ecoregions.

(h) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 10

\$7,867,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management.

(i) Lake Alice Enhancement, Fergus Falls

\$500,000 the second year is to the commissioner of natural resources for an agreement with the city of Fergus Falls to enhance Lake Alice in Fergus Falls.

Subd. 5. Habitats

-0-

101,294,000

(a) St. Croix Watershed Habitat Protection and Restoration, Phase 5

\$4,711,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: \$1,905,000 to Trust for Public Land; \$110,000 to Wild Rivers Conservancy; and

\$2,696,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Pine and Leech Watershed Targeted RIM Easement Permanent Land Protection, Phase 3

\$2,242,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Crow Wing County Soil and Water Conservation District, to acquire permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Up to \$120,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(c) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 3

\$3,321,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,083,000 is to the Northern Waters Land Trust and \$2,238,000 is to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Shell Rock River Watershed Habitat Restoration Program, Phase 13

\$2,060,000 the second year is to the commissioner of natural resources for an

agreement with the Shell Rock River Watershed District to acquire land in fee and restore and enhance habitat in the Shell Rock River watershed.

(e) Cannon River Watershed Habitat Restoration and Protection Program, Phase 13

\$2,555,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and restore and enhance wildlife habitat in the Cannon River watershed as follows: \$54,000 to Clean River Partners; \$888,000 to Great River Greening; and \$1,613,000 to Trust for Public Land.

(f) Mississippi Headwaters Habitat Corridor Project, Phase 8

\$2,706,000 the second year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount:

(1) \$1,706,000 is to the commissioner of natural resources for agreements as follows: \$57,000 to the Mississippi Headwaters Board and \$1,649,000 to Trust for Public Land; and

(2) \$1,000,000 is to the Board of Water and Soil Resources, of which up to \$100,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(g) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase 10

\$2,687,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: \$2,252,000 to Northern Waters Land Trust and \$435,000 to Minnesota Land Trust. Up to \$56,000 to

Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(h) Red River Basin Riparian Habitat Program

\$5,119,000 the second year is to acquire permanent conservation easements to protect, restore, and enhance stream and riparian habitat throughout the Red River watershed. Of this amount, \$169,000 is to the commissioner of natural resources for an agreement with the Red River Watershed Management Board and \$4,950,000 is to the Board of Water and Soil Resources. Up to \$380,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(i) Resilient Habitat for Heritage Brook Trout, Phase

2

\$2,486,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater aquatic communities. Of this amount, \$400,000 is to The Nature Conservancy, \$612,000 is to Trout Unlimited, and \$1,474,000 is to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(j) Southeast Minnesota Protection and Restoration, Phase 12

\$3,052,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat on public lands and permanent conservation easements in southeast Minnesota as follows: \$970,000 to The Nature Conservancy, \$964,000 to Trust for Public Land, and \$1,118,000 to Minnesota Land Trust. Up to \$112,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(k) Lower Wild Rice River Corridor Habitat Restoration, Phase 4

\$2,345,000 the second year is to acquire land in permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. Of this amount, \$30,000 is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District and \$2,315,000 is to the Board of Water and Soil Resources. The Board of Water and Soil Resources may use up to \$60,000 for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(l) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 16

\$1,359,000 the second year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05,

subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(m) Accelerating Habitat Conservation in Southwest Minnesota, Phase 3

\$2,872,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance high-quality wildlife habitat in southwest Minnesota. Of this amount, up to \$168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(n) Sauk River Watershed Habitat Protection and Restoration, Phase 5

\$3,965,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and restore and enhance wildlife habitat in the Sauk River watershed as follows: \$375,000 to Great River Greening; \$1,199,000 to Sauk River Watershed District; \$1,192,000 to Pheasants Forever; and \$1,199,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(o) Metro Big Rivers, Phase 14

\$8,123,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota,

and St. Croix Rivers and their tributaries within the metropolitan area as follows: \$1,250,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$420,000 to Friends of the Mississippi River; \$803,000 to Great River Greening; \$2,750,000 to Trust for Public Land; and \$2,900,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(p) Anoka Sand Plain Habitat Conservation, Phase 9

\$1,802,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: \$1,508,000 to Great River Greening and \$294,000 to Sherburne County.

(q) DNR Aquatic Habitat Restoration and Enhancement, Phase 7

\$4,206,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage.

(r) Minnesota Statewide Trout Habitat Enhancement

\$2,308,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

(s) Knife River Habitat Rehabilitation, Phase 7

\$1,572,000 the second year is to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission, in cooperation

with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed. If the Arrowhead Regional Development Commission declines to serve as the fiscal agent for the project, an alternative fiscal agent must be identified in the accomplishment plan for the project.

(t) DNR St. Louis River Restoration Initiative, Phase 11

\$2,163,000 the second year is to the commissioner of natural resources to restore and enhance priority aquatic, riparian, and forest habitats in the St. Louis River estuary. Of this amount, \$716,000 is for an agreement with Minnesota Land Trust.

(u) Roseau Lake Rehabilitation, Phase 2

\$3,054,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County, Minnesota.

(v) Highbanks Ravine Bat Hibernaculum

\$2,300,000 the second year is to the commissioner of natural resources for an agreement with the city of St. Cloud to enhance the Highbanks Ravine Bat Hibernaculum in St. Cloud.

(w) Owámníyomni Native Landscape and River Restoration, St. Anthony Falls

\$1,918,000 the second year is to the commissioner of natural resources for an agreement with Friends of the Falls to restore and enhance wildlife habitat at Upper St. Anthony Falls. This appropriation may only be spent for site grading, oak savanna, and aquatic habitat portions of the project.

(x) Silver Lake Dam Fish Passage Modification

\$2,368,000 the second year is to the commissioner of natural resources for an

agreement with the city of Rochester to restore and enhance aquatic habitat in Silver Lake and the south fork of the Zumbro River by modifying the existing low-head dam in Rochester.

(y) Little Devil Track River Restoration

\$3,000,000 the second year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance stream habitat in the Little Devil Track River.

(z) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase 16

\$15,000,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Unless there are not enough eligible grant applications received, of this amount, at least \$4,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least \$4,000,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$1,000,000. Of the total appropriation, \$600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match

may be cash or in-kind. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2027. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

(aa) Protecting Upper Mississippi River from Invasive Carp

\$12,000,000 the second year is to the commissioner of natural resources to fund activities to protect the upper Mississippi River from invasive carp. Activities within this appropriation include agreements with federal partners, such as the United States Fish and Wildlife Service, to design, construct, and begin operating and maintaining a structural deterrent for invasive carp at Lock and Dam No. 5 on the

Mississippi River to protect Minnesota's aquatic habitat through an adaptive management approach. Deterrent design must be fully completed within two years of the date of this appropriation. Deterrent installation must be completed by June 30, 2029. Money not spent or obligated for design installation and operation of the deterrent may be used for testing technologies to support the future effectiveness of the deterrent. A detailed accomplishment plan must be submitted to and approved by the Lessard-Sams Outdoor Heritage Council before money is released. This appropriation is available until June 30, 2029.

Subd. 6. Administration

-0-

1,402,000

(a) Contract Management

\$350,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2026.

(b) Technical Evaluation Panel

\$160,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 25 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10. Money appropriated in this paragraph is available until June 30, 2026.

(c) Core Functions in Partner-led OHF Land Acquisitions

\$892,000 the second year is to the commissioner of natural resources for administering the initial development, restoration, and enhancement of land acquired in fee with money appropriated from the outdoor heritage fund. This appropriation may be used for land acquisition costs incurred by the department in conveying parcels to the department and for initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2032.

Subd. 7. Availability of Appropriation

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated for acquiring real property is available until June 30, 2028;

(2) money appropriated for restoring and enhancing land acquired with an appropriation in this section is available for four years after the acquisition date with a maximum end date of June 30, 2032;

(3) money appropriated for restoring or enhancing other land is available until June 30, 2029;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

(a) All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2024, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with a landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash-flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment

plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

(b) Unless otherwise provided, no money appropriated from the outdoor heritage fund in this article may be used to acquire, restore, or enhance any real property unless the specific acquisition, restoration, or enhancement is approved as part of the accomplishment plan on the parcel list.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. Carryforward

(a) The availability of the following appropriations is extended to June 30, 2025:

(1) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (f), Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase XI; and

(2) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (j), Shell Rock River Watershed Habitat Restoration Program - Phase VIII.

(b) The availability of the appropriation in Laws 2019, First Special Session chapter 2,

article 1, section 2, subdivision 4, paragraph (g), Big Rice Lake Wild Rice Enhancement, is extended to June 30, 2026.

(c) The availability of the appropriation in Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (o), Restoring Upper Mississippi River at Lake Pepin, is extended to June 30, 2028.

ARTICLE 2

CLEAN WATER FUND

Section 1. CLEAN WATER FUND APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. These are onetime appropriations.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. CLEAN WATER FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>25,426,000</u>
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This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota

Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Subd. 4. Increasing Diversity in Environmental Careers

Agencies should work to provide opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this article.

Sec. 3. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>4,402,000</u>
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(a) \$1,000,000 the second year is for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from

degradation from nitrate. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (b), and is available until June 30, 2028.

(b) \$3,402,000 the second year is for the agriculture best management practices loan program for loans for water-quality-related projects. Of this amount, \$3,000,000 is for projects in southeast Minnesota. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (c).

Sec. 4. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>5,326,000</u>
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(a) \$326,000 the second year is for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (a).

(b) \$1,950,000 the second year is for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (f). Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this paragraph are available until June 30, 2028.

(c) \$1,000,000 the second year is for activities and grants that reduce chloride pollution. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (g).

(d) \$2,000,000 the second year is to purchase and install nitrate sensors to develop a continuous nitrate-monitoring network to

monitor watershed and basin pour points where elevated loads of nitrate have been measured historically.

(e) \$50,000 the second year is for a grant to the Friends of the Minnesota Valley to continue and expand the existing water quality and watershed monitoring river watch activities in schools in the Minnesota River Valley. By February 15, 2027, Friends of the Minnesota Valley must provide a report to the commissioner and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund on the outcomes achieved with the money received under this appropriation.

Sec. 5. DEPARTMENT OF NATURAL RESOURCES

\$

-0- \$

90,000

\$90,000 the second year is for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 5, paragraph (c).

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

\$

-0- \$

11,434,000

(a) \$3,434,000 the second year is for a working-lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to \$225,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the

appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (f).

(b) \$4,000,000 the second year is to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to \$160,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (k).

(c) \$2,000,000 the second year is for developing and implementing a water legacy grant program to expand partnerships for clean water. Of this amount, \$500,000 is for grants to watershed districts to reduce the costs to landowners for green infrastructure projects, including rain gardens, permeable pavement, rainwater harvesting and reuse, and other clean water practices. Priority must be given to projects in low-income and high-pollution areas. Watershed districts may partner with local community groups, nonprofit organizations, and other interested parties to perform the work and provide outreach to communities. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (m).

(d) \$1,000,000 the second year is to provide support to soil and water conservation districts and other local governments and partner organizations in the Lake Superior basin to leverage Great Lakes Restoration Initiative or other federal Great Lakes funding to implement prioritized activities.

(e) \$1,000,000 the second year is for conservation easements acquired under Minnesota Statutes, sections 103F.501 to 103F.535, or for grants or contracts to local units of government or Tribal governments, including for fee title acquisition or for

long-term protection of groundwater supply sources. Consideration must be given to drinking water supply management areas and alternative management tools in the Department of Agriculture Minnesota Nitrogen Fertilizer Management Plan, including using low-nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring conservation contracts. Up to \$50,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation, including the conditions and considerations, is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (g).

(f) The board must require grantees to specify the outcomes that will be achieved by the grants.

(g) The appropriations in this section are available until June 30, 2028, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned grant funds must be regranted consistent with the purposes of this section.

Sec. 7. **DEPARTMENT OF HEALTH**

\$

-0- \$

3,174,000

(a) \$384,000 the second year is for developing health-risk limits for contaminants found or anticipated to be found in Minnesota drinking water, to certify private laboratories to conduct analyses for these contaminants, and to increase the capacity of the department's laboratory to analyze for these contaminants. This

appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 7, paragraph (a).

(b) \$2,790,000 the second year is for managing a voluntary program in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties to conduct an inventory of private wells, provide testing for nitrates, develop education and outreach for private well owners and users, and develop a dashboard to communicate testing results and report on progress.

(c) Unless otherwise specified, the appropriations in this section are available until June 30, 2027.

Sec. 8. **UNIVERSITY OF MINNESOTA**

\$

-0- \$

1,000,000

\$1,000,000 the second year is for a program to evaluate performance and technology transfer for stormwater best management practices; to evaluate best management performance and effectiveness to support meeting total maximum daily loads; to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model; and to implement a system to transfer knowledge and technology across local government, industry, and regulatory sectors. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 9, paragraph (b), and is available until June 30, 2030.

ARTICLE 3

PARKS AND TRAILS FUND

Section 1. Laws 2023, chapter 40, article 3, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$	72,155,000	\$	64,455,000 <u>73,563,000</u>
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The amounts that may be spent for each purpose are specified in the following sections.

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

Sec. 2. Laws 2023, chapter 40, article 3, section 3, is amended to read:

Sec. 3. DEPARTMENT OF NATURAL RESOURCES	\$	43,580,000	\$	38,931,000 <u>44,396,000</u>
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(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for state parks, recreation areas, and trails to:

- (1) connect people to the outdoors;
- (2) acquire land and create opportunities;
- (3) maintain existing holdings; and
- (4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth and youth who identify as lesbian, gay, bisexual, transgender, and queer the opportunity to experience the outdoors with similar peers.

(c) \$14,286,000 the first year and ~~\$12,762,000~~ \$14,584,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support

parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the *Greater Minnesota Regional Parks and Trails Strategic Plan* adopted by the Greater Minnesota Regional Parks and Trails Commission on ~~April 22, 2015~~ March 24, 2021. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$475,000 the first year and \$475,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(d) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2025 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(e) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(f) \$722,000 the first year and \$645,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(g) The commissioner must contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$850,000 the first year and \$850,000 the second year.

(h) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

(i) In addition to the requirements under paragraph (g), the commissioner should work to provide other opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this section.

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

Sec. 3. Laws 2023, chapter 40, article 3, section 4, is amended to read:

Sec. 4. METROPOLITAN COUNCIL	\$	28,572,000	\$	25,524,000 <u>29,167,000</u>
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(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project

descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

(e) Implementing agencies that charge a fee for activities or rental equipment, including but not limited to watercraft, skis, bicycles, golf clubs, and green fees, must report to the Metropolitan Council the opportunities to participate in the activities and rent equipment at free or reduced rates offered in their park and recreation programs. By February 1, 2025, the Metropolitan Council must provide a report to the legislative committees and divisions with jurisdiction over legacy funding on the information gathered under this paragraph.

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

Sec. 4. PARKS AND TRAILS FUND APPROPRIATION EXTENSIONS.

Subdivision 1. **Bluffs Traverse Trail; city of Winona.** The availability of the grant to the city of Winona for the Bluffs Traverse Trail project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2026.

Subd. 2. **Jay C. Hormel Nature Center; city of Austin.** The availability of the grant to the city of Austin for the Jay C. Hormel Nature Center project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 3. **Hole in the Mountain Park; Lincoln County.** The availability of the grant to Lincoln County for the Hole in the Mountain Park project from the parks and trails fund appropriation under

Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 4. **Alexander Ramsey Park; city of Redwood Falls.** The availability of the grant to the city of Redwood Falls for the Alexander Ramsey Park project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

Subd. 5. **Coordination among partners.** The appropriations from the parks and trails fund under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (e), are available until June 30, 2026.

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, and June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. All appropriations in this article are onetime.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **ARTS AND CULTURAL HERITAGE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>12,209,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional

overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. Water and energy conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Minnesota State Arts Board

-0-

5,738,000

(a) The amounts in this subdivision are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) Arts and Arts Access Initiatives

\$4,590,000 the second year is to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota

audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (b).

(c) Arts Education

\$861,000 the second year is for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (c).

(d) Arts and Cultural Heritage

\$287,000 the second year is for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (d).

(e) Administrative Costs

Up to five percent of the totals in paragraphs (b) to (d) each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability for fiscal year 2025 appropriations.

(f) Regional Arts Councils

Thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able

to tour in their own region as well as all other regions of the state.

Subd. 4. Department of Administration

-0-

1,720,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) Berger Fountain Renovation

\$200,000 the second year is for a grant to the Minneapolis Park and Recreation Board to restore Berger Fountain at Loring Park and for improvements to the surrounding plaza.

(d) Capri Theater

\$250,000 the second year is for a grant to Capri Theater to enrich and expand youth and adult arts programming and effective arts and educational offerings for youth, families, and emerging and accomplished artists.

(e) Veterans Memorial and Commemorations

\$150,000 the second year is for a competitive grant program to award grants for groups celebrating, recognizing, and honoring the sacrifices of those who served in the military, including memorials, commemorations, facilities, and park features.

Of this amount, \$30,000 is for a grant to the VFW Post 5252 in Pelican Rapids for the relocation of their Honor Wall, and \$15,000 is for a grant to Clitherall Township for the

Clitherall Township Veterans Memorial in Battle Lake for improvements to the grounds.

(f) Indigenous Roots Cultural Arts Center and Cypher Side

\$175,000 the second year is for a grant to Indigenous Roots Cultural Arts Center to partner with Cypher Side to provide dance and other arts programming.

(g) Hrvatski Dom Croatian Hall

\$195,000 the second year is for a grant to the Hrvatski Dom Croatian Hall in South St. Paul for restoring and operating the hall for community gatherings and to preserve the history and cultural heritage of Croatian immigrants in Minnesota.

(h) Justus Ramsey Stone House

\$300,000 the second year is for a grant to the Minnesota Transportation Museum for costs related to preserving Minnesota's historic Justus Ramsey Stone House and relocating it to the Jackson Street Roundhouse property owned and operated by the Minnesota Transportation Museum.

(i) Minnesota Military and Veterans Museum

\$275,000 the second year is for a grant to the Minnesota Military and Veterans Museum at Camp Ripley for the restoration, relocation, and interpretation of the USS Ward Number Three Gun and World War II display. This funding may also be used for site reclamation and improvements at the location of the removed work. Award of this grant is contingent on compliance and approvals in Minnesota Rules, part 2400.2703, subpart 7. This funding is available until June 30, 2027.

(j) PROCEED

\$100,000 the second year is for a grant to PROCEED, Inc., for arts, cultural, and environmental preservation work with youth.

(k) Twin Cities Jazz Festival

\$75,000 the second year is for arts and arts access at the Twin Cities Jazz Festival.

Subd. 5. Minnesota Humanities Center**-0-****3,550,000**

(a) The amounts in this subdivision are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 5.5 percent of the appropriations for the administration of these funds and to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants under this subdivision and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

No grants awarded under this subdivision may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

(b) Community Identity and Heritage Grant Program; Administration and Capacity-Building Grants; Festival Grants

(1) \$50,000 the second year is for outreach and education on the grant programs in this subdivision, with a focus on reaching diverse community organizations and providing assistance with grant opportunities, qualifications, and reporting requirements and specifically providing technical assistance and a nontraditional application process to improve access to grant funding for diverse communities.

(2) \$1,760,000 the second year is for a competitive grant program to provide grants to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups, including communities of Black, Indigenous, and people of color, to celebrate the cultural diversity of Minnesota. An individual or organization that receives a grant under this clause must do at least one of the following:

(i) preserve and honor the cultural heritage of Minnesota;

(ii) provide education and student outreach on cultural diversity;

(iii) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(iv) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(3) Of the amount in clause (2), \$750,000 must be used for grants for community events, music and jazz festivals, cultural festivals for art installations, music, and other performances and activities that support festivals and events. Funding under this clause must not go to parades. Amounts not awarded under this clause may be used for the purposes provided in clause (2).

(4) Of the amount in clause (3):

(i) \$100,000 is for a grant to an organization to celebrate Minnesota's historical, cultural, and artistic heritage to provide boxes of essentials to mothers in the state. The organization must consult with the commissioner of health to develop and distribute the boxes;

(ii) \$100,000 is for a grant to (Neo)Muralismos de Mexico to expand classes and support artists; and

(iii) \$100,000 is for a grant to a nonprofit organization that can support and facilitate the art and music of Rondo Days.

(c) Underrepresented Groups Cultural Studies Materials

\$500,000 the second year is for competitive grants to develop high-quality academic cultural and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures, and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this paragraph must work with school districts that intend to use the materials.

(d) Urban Debate League

\$180,000 the second year is for a grant to the Minnesota Urban Debate League to expand the Minnesota Urban Debate League program to serve additional school districts throughout Minnesota.

(e) Monkeybear

\$100,000 the second year is for a grant to the Monkeybear's Harmolodic Workshop for developing creative and technical skills in contemporary puppetry.

(f) Saint Paul Neighborhood Network (SPNN)

\$100,000 the second year is for a grant to Saint Paul Neighborhood Network in St. Paul for a grant to support their programs in cinematography, lighting, and editing; storytelling; documentary filmmaking; and other artistic programming.

(g) SivYig Culture Center

\$40,000 the second year is for a grant to the SivYig Culture Center for programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(h) African Immigrants Community Services (AICS)

\$40,000 the second year is for a grant to the African Immigrants Community Services (AICS) in Minneapolis for arts programming serving and celebrating the African arts and cultural heritage.

(i) Mini Sota Agricultural Children's Museum

\$50,000 the second year is for a grant to the Mini Sota Agricultural Children's Museum in Benson for improved accessibility and planning, design, and construction of exhibits.

(j) Arts and Music Education; ACH Learners Grants

\$500,000 the second year is for grants to organizations to offer scholarships to underserved youth and adults to pursue music, including singing, band, and orchestral instruments; creative writing; studio arts, including traditional craft and folk arts; and performing arts, including dance and theater, throughout the state. Priority for grants distributed in this paragraph must be given to:

(1) programs that have matching funding or existing resources to help facilitate group or individual lessons in the arts;

(2) high-quality arts programming that helps provide students with access to experienced teachers, musicians, and artists;

(3) programs that will provide scholarships to low-income and diverse communities that have been underserved by traditional arts funding;

(4) programs that are partnering with, or plan to partner with, public schools and community organizations to help reach students from diverse backgrounds;

(5) programs that can offer scholarships to existing high-quality arts programming, including camps, schools, and centers devoted to teaching any of the artistic scholarships; and

(6) programs that offer outreach and transportation services, as well as on-site services, to help communities gain access to and use the scholarships awarded in this paragraph.

(k) 50th Anniversary of Vietnam War/Southeast Asian Conflict

\$80,000 the second year is for a joint commemoration program, in collaboration with the Minnesota Historical Society, for the 50th anniversary of the Vietnam War/Secret War in Laos/Southeast Asian conflict that recognizes and honors the contributions of the Vietnamese, Lao, Cambodian, Hmong, and other Minnesota Vietnam veterans. The Minnesota Humanities Center must prepare the program to leverage the unique skillsets and relationships in the four Southeast Asian Minnesotan communities and the broader communities.

(l) Art From the Inside

\$150,000 the second year is for a grant to Art From the Inside to use the arts, including but not limited to visual art, poetry, literature,

theater, dance, and music, to address the supportive, therapeutic, and rehabilitative needs of incarcerated persons and persons on supervised release and promote a safer correctional facility and community environment.

Subd. 6. Minnesota Historical Society

-0-

1,201,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime.

(b) Grants

(1) \$100,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding;

(2) \$400,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(3) \$200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs;

(4) \$200,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the impact of this grant and of collaboration with statewide partners;

(5) \$50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House; and

(6) \$251,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum.

Sec. 3. Laws 2023, chapter 40, article 4, section 2, subdivision 3, is amended to read:

Subd. 3. Minnesota State Arts Board

47,421,000

44,796,000

(a) The amounts in this subdivision are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state

appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) Arts and Arts Access Initiatives

\$35,737,000 the first year and \$36,437,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. Grants provided under this paragraph must prioritize artists and arts organizations that plan to present art from communities that have been historically underrepresented in the arts or that improve access to the programs and projects for groups, including youth and historically underserved communities, that have struggled to access arts programming in the past.

(c) Arts Education

\$7,263,000 the first year and \$6,269,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. Priority in the award of grants under this paragraph must be given to providing educational opportunities to underserved communities with grants for organizations or entities providing opportunities to K-12 students throughout the state for arts education, including access to arts instruction, arts programming, museums, and arts presentations.

(d) Arts and Cultural Heritage

\$2,421,000 the first year and \$2,090,000 the second year are for events and activities that

represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) Significant Art Project St. Paul

\$2,000,000 the first year is for a grant to the Minnesota United Foundation for the design, land development, land transfer fees, and production costs of a public art project in St. Paul at the United Village site celebrating Minnesota arts and cultural heritage and providing a unique public art experience through sculpture and design. The project funded by this paragraph must have a matching ~~grant~~ contribution from nonpublic funds and must include a public-private partnership agreement providing an agreement for the future ownership, maintenance, taxes, and associated costs for the art project and project site. The project funded by this paragraph must have a permanent sign indicating the project was funded through the arts and cultural heritage fund. This appropriation is available until June 30, 2028. Nonpublic contributions made after January 1, 2024, are eligible matching expenditures for the purposes of this grant.

(f) Administrative Costs

Up to five percent of the totals in paragraphs (b) to (e) each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability ~~in~~ for fiscal years year 2024 and fiscal year 2025 appropriations.

(g) Regional Arts Councils

Thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure

the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(h) Any unencumbered balance remaining under this subdivision the first year does not cancel but is available the second year."

Amend the title accordingly

Senator Pratt moved to amend the Hawj amendment to H.F. No. 4124 as follows:

Page 44, line 26, delete "\$1,760,000" and insert "\$1,690,000"

Page 48, line 30, delete "\$80,000" and insert "\$150,000"

Correct the subdivision and section totals and the appropriations by fund

The question was taken on the adoption of the Pratt amendment to the Hawj amendment.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, Wesenberg, and Westrom.

Those who voted in the negative were:

Pha

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

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

The question recurred on the adoption of the Hawj amendment, as amended.

The roll was called, and there were yeas 55 and nays 9, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Oumou Verbeten, Pha, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Bahr, Dahms, Draheim, Duckworth, Housley, Miller, Weber, and Westrom.

Those who voted in the negative were:

Anderson	Green	Koran	Lucero	Wesenberg
Eichorn	Gruenhagen	Lieske	Mathews	

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

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

Senator Green moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to read:

Subd. 8. **Match required.** A grantee that receives money appropriated from the outdoor heritage fund for a project must provide matching funds from nonstate sources of at least 50 percent of total eligible project costs."

Page 32, after line 26, insert:

"Sec. 9. Minnesota Statutes 2022, section 114D.50, is amended by adding a subdivision to read:

Subd. 8. **Match required.** A grantee that receives money appropriated from the clean water fund for a project must provide matching funds from nonstate sources of at least 50 percent of total eligible project costs."

Page 37, after line 31, insert:

"Sec. 5. Minnesota Statutes 2022, section 85.53, is amended by adding a subdivision to read:

Subd. 8. **Match required.** A grantee that receives money appropriated from the parks and trails fund for a project must provide matching funds from nonstate sources of at least 50 percent of total eligible project costs."

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Match required.** A grantee that receives money appropriated from the arts and cultural heritage fund for a project must provide matching funds from nonstate sources of at least 50 percent of total eligible project costs."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Oumou Verbeten, Pha, and Port.

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

Senator Gruenhagen moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to read:

Subd. 8. **Prohibition on state land purchases.** Money appropriated from the outdoor heritage fund must not be used to acquire land in fee title in counties where more than 25 percent of the land is publicly owned unless the county board approves the acquisition."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Oumou Verbeten, Pha, and Port.

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

Senator Eichorn moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that promote domestic terrorism or criminal activities."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon	Carlson	Champion	Cwodzinski	Dibble
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Dziedzic
Fateh
Frentz
Hauschild
Hawj

Hoffman
Klein
Kunesh
Kupec
Latz

Mann
Marty
Maye Quade
McEwen
Mitchell

Mohamed
Morrison
Murphy
Oumou Verbeten
Pappas

Pha
Port
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Oumou Verbeten, Pha, and Port.

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

Senator Lucero moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to read:

Subd. 25. **Submission of receipts required.** A grantee that receives money appropriated from the outdoor heritage fund must submit copies of receipts for all related expenditures to the fiscal agent for the appropriation within 30 days of the expenditure."

Page 32, after line 26, insert:

"Sec. 9. Minnesota Statutes 2022, section 114D.50, is amended by adding a subdivision to read:

Subd. 8. **Submission of receipts required.** A grantee that receives money appropriated from the clean water fund must submit copies of receipts for all related expenditures to the fiscal agent for the appropriation within 30 days of the expenditure."

Page 32, after line 29, insert:

"Section 1. Minnesota Statutes 2022, section 85.53, is amended by adding a subdivision to read:

Subd. 8. **Submission of receipts required.** A grantee that receives money appropriated from the parks and trails fund must submit copies of receipts for all related expenditures to the fiscal agent for the appropriation within 30 days of the expenditure."

Page 51, after line 12, insert:

"Sec. 3. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. **Submission of receipts required.** A grantee that receives money appropriated from the arts and cultural heritage fund must submit copies of receipts for all related expenditures to the fiscal agent for the appropriation within 30 days of the expenditure."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Johnson	Mathews	Utke
Anderson	Duckworth	Koran	Miller	Weber
Bahr	Eichorn	Kreun	Nelson	Wesenberg
Dahms	Green	Lieske	Pratt	
Dornink	Gruenhagen	Limmer	Rarick	
Draheim	Housley	Lucero	Rasmusson	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Green moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. **REPEALER.**

Minnesota Statutes 2022, section 129D.17, subdivision 4, is repealed."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Koran	Miller	Weber
Bahr	Eichorn	Kreun	Nelson	Wesenberg
Dahms	Green	Lieske	Pratt	
Dornink	Gruenhagen	Limmer	Rarick	
Draheim	Housley	Lucero	Rasmusson	
Drazkowski	Johnson	Mathews	Utke	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Abeler	Cwodzinski	Frentz	Hoffman	Latz
Boldon	Dibble	Gustafson	Klein	Mann
Carlson	Dziedzic	Hauschild	Kunesh	Marty
Champion	Fateh	Hawj	Kupec	Maye Quade

McEwen
Mitchell
Mohamed

Morrison
Murphy
Oumou Verbeten

Pappas
Pha
Port

Putnam
Rest
Seeberger

Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Drazkowski moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 84.0272, is amended by adding a subdivision to read:

Subd. 6. **Moratorium on land acquisition; inventory.** (a) The Department of Natural Resources may not acquire any land in fee prior to July 1, 2029.

(b) By February 1, 2025, the commissioner of natural resources must submit a complete inventory of all the lands owned or managed by the Department of Natural Resources to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment. The inventory must include information about the date and source of funding for each acquisition, an explanation of the management and use of acquired lands, and a statement of any revenue generated by acquired lands."

Senator Drazkowski requested division of his amendment as follows:

First portion:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 84.0272, is amended by adding a subdivision to read:

Subd. 6. **Moratorium on land acquisition; inventory.** (a) The Department of Natural Resources may not acquire any land in fee prior to July 1, 2029."

The question was taken on the adoption of the first portion of the Drazkowski amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson
Bahr
Coleman
Dahms
Dornink
Draheim

Drazkowski
Duckworth
Eichorn
Green
Gruenhagen
Housley

Jasinski
Johnson
Koran
Kreun
Lang
Lieske

Limmer
Lucero
Mathews
Miller
Nelson
Pratt

Rarick
Rasmusson
Utke
Weber
Wesenberg

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

The motion did not prevail. So the first portion of the amendment was not adopted.

Second portion:

"(b) By February 1, 2025, the commissioner of natural resources must submit a complete inventory of all the lands owned or managed by the Department of Natural Resources to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment. The inventory must include information about the date and source of funding for each acquisition, an explanation of the management and use of acquired lands, and a statement of any revenue generated by acquired lands."

The question was taken on the adoption of the second portion of the Drazkowski amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

The motion did not prevail. So the second portion of the amendment was not adopted.

Senator Lucero moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to read:

Subd. 25. **Prohibition on appropriation to unlawfully present persons.** A person present in the United States without legal authorization is ineligible to receive an appropriation from the outdoor heritage fund."

Page 32, after line 26, insert:

"Sec. 9. Minnesota Statutes 2022, section 114D.50, is amended by adding a subdivision to read:

Subd. 8. **Prohibition on appropriation to unlawfully present persons.** A person present in the United States without legal authorization is ineligible to receive an appropriation from the clean water fund."

Page 32, after line 29, insert:

"Section 1. Minnesota Statutes 2022, section 85.53, is amended by adding a subdivision to read:

Subd. 8. **Prohibition on appropriation to unlawfully present persons.** A person present in the United States without legal authorization is ineligible to receive an appropriation from the parks and trails fund."

Page 51, after line 12, insert:

"Sec. 3. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. **Prohibition on appropriation to unlawfully present persons.** A person present in the United States without legal authorization is ineligible to receive an appropriation from the arts and cultural heritage fund."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon	Champion	Dibble	Fateh	Gustafson
Carlson	Cwodzinski	Dziedzic	Frentz	Hauschild

Hawj	Latz	Mitchell	Pappas	Seeberger
Hoffman	Mann	Mohamed	Pha	Westlin
Klein	Marty	Morrison	Port	Wiklund
Kunesh	Maye Quade	Murphy	Putnam	Xiong
Kupec	McEwen	Oumou Verbeten	Rest	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Mann, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Drazkowski moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that promote violence against law enforcement."

Senator Maye Quade moved to amend the second Drazkowski amendment to H.F. No. 4124 as follows:

Page 1, line 7, delete "law enforcement" and insert "public officer"

The question was taken on the adoption of the Maye Quade amendment to the second Drazkowski amendment.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Housley, Miller, Weber, and Wesenberg.

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

Senator Drazkowski moved to amend the Maye Quade amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 1, line 3, delete "officer" and insert "officers"

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

Senator Drazkowski moved to amend the second Drazkowski amendment to H.F. No. 4124 as follows:

Page 1, line 7, after "against" insert "police officers, peace officers, firefighters, emergency medical technicians, and other"

The question was taken on the adoption of the Drazkowski amendment to the second Drazkowski amendment.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Mathews	Seeberger
Anderson	Eichorn	Klein	Miller	Utke
Bahr	Green	Koran	Mitchell	Weber
Coleman	Gruenhagen	Kreun	Nelson	Wesenberg
Dahms	Gustafson	Kupec	Pratt	Wiklund
Dornink	Hauschild	Lang	Putnam	
Draheim	Hoffman	Lieske	Rarick	
Drazkowski	Housley	Limmer	Rasmusson	
Duckworth	Jasinski	Lucero	Rest	

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon	Fateh	Mann	Morrison	Port
Carlson	Frentz	Marty	Murphy	Westlin
Champion	Hawj	Maye Quade	Oumou Verbeten	Xiong
Cwodzinski	Kunesh	McEwen	Pappas	
Dibble	Latz	Mohamed	Pha	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Fateh, Frentz, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

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

The question recurred on the adoption of the second Drazkowski amendment, as amended.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Anderson	Bahr	Coleman	Dahms
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Dornink
Draheim
Drazkowski
Duckworth
Eichorn
Green
Gruenhagen

Gustafson
Hauschild
Hoffman
Housley
Jasinski
Johnson
Koran

Kreun
Kupec
Lang
Lieske
Limmer
Lucero
Mathews

Miller
Nelson
Pratt
Putnam
Rarick
Rasmusson
Rest

Seeberger
Utke
Weber
Wesenberg
Wiklund

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon
Carlson
Champion
Cwodzinski
Dibble

Dziedzic
Fateh
Frentz
Hawj
Klein

Kunesh
Latz
Mann
Marty
Maye Quade

McEwen
Mitchell
Morrison
Murphy
Oumou Verbeten

Pappas
Pha
Port
Westlin
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Lucero moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 24, after line 33, insert:

"Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to read:

Subd. 25. **Prohibition on appropriation to burglars.** A person who has been convicted of felony burglary in the first degree under section 609.582 is ineligible to receive an appropriation from the outdoor heritage fund."

Page 32, after line 26, insert:

"Sec. 9. Minnesota Statutes 2022, section 114D.50, is amended by adding a subdivision to read:

Subd. 8. **Prohibition on appropriation to burglars.** A person who has been convicted of felony burglary in the first degree under section 609.582 is ineligible to receive an appropriation from the clean water fund."

Page 32, after line 28, insert:

"Sec. 5. Minnesota Statutes 2022, section 85.53, is amended by adding a subdivision to read:

Subd. 8. **Prohibition on appropriation to burglars.** A person who has been convicted of felony burglary in the first degree under section 609.582 is ineligible to receive an appropriation from the parks and trails fund."

Page 54, after line 13, insert:

"Sec. 3. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. Prohibition on appropriation to burglars. A person who has been convicted of felony burglary in the first degree under section 609.582 is ineligible to receive an appropriation from the arts and cultural heritage fund."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Lucero imposed a call of the Senate for the balance of the proceedings on the Lucero amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Lucero amendment.

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

The roll was called, and there were yeas 33 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Jasinski	Limmer	Rest
Bahr	Eichorn	Johnson	Lucero	Seeberger
Coleman	Green	Koran	Mathews	Utke
Dahms	Gruenhagen	Kreun	Miller	Weber
Dornink	Gustafson	Kupec	Pratt	Wesenberg
Draheim	Hauschild	Lang	Rarick	
Drazkowski	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Frentz, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

The motion prevailed. So the amendment was adopted.

Senator Lang moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that denigrate the United States military."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Lucero moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that promote crimes of violence, as defined in section 624.712, subdivision 5."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Dornink	Eichorn	Howe	Kreun
Bahr	Draheim	Green	Jasinski	Lang
Coleman	Drazkowski	Gruenhagen	Johnson	Lieske
Dahms	Duckworth	Housley	Koran	Lucero

Mathews
Miller

Pratt
Rarick

Rasmusson
Utke

Weber
Wesenberg

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon
Carlson
Champion
Cwodzinski
Dibble
Dziedzic

Fateh
Frentz
Hawj
Hoffman
Klein
Kunesh

Latz
Mann
Marty
Maye Quade
McEwen
Mitchell

Mohamed
Morrison
Murphy
Oumou Verbeten
Pappas
Pha

Port
Putnam
Rest
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Lucero moved to amend the Hawj amendment to H.F. No. 4124, adopted by the Senate May 3, 2024, as follows:

Page 54, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to read:

Subd. 8. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that promote or show support for Hamas."

CALL OF THE SENATE

Senator Lucero imposed a call of the Senate for the balance of the proceedings on the Lucero amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Lucero amendment.

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

Those who voted in the affirmative were:

Abeler
Anderson
Bahr
Coleman
Dahms
Dornink
Draheim
Drazkowski
Duckworth

Eichorn
Green
Gruenhagen
Gustafson
Hauschild
Hoffman
Housley
Howe
Jasinski

Johnson
Koran
Kreun
Kupec
Lang
Latz
Lieske
Limmer
Lucero

Mathews
Miller
Mohamed
Murphy
Nelson
Pappas
Pratt
Putnam
Rarick

Rasmusson
Rest
Seeberger
Utke
Weber
Wesenberg

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon
Carlson
Champion
Cwodzinski
Dibble

Dziedzic
Fateh
Frentz
Hawj
Klein

Kunesh
Mann
Marty
Maye Quade
McEwen

Mitchell
Morrison
Oumou Verbeten
Pha
Port

Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

The motion prevailed. So the amendment was adopted.

H.F. No. 4124 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Abeler
Boldon
Carlson
Champion
Cwodzinski
Dibble
Dziedzic
Fateh

Frentz
Gustafson
Hauschild
Hawj
Hoffman
Housley
Klein
Kunesh

Kupec
Lang
Latz
Mann
Marty
Maye Quade
McEwen
Mitchell

Mohamed
Morrison
Murphy
Nelson
Oumou Verbeten
Pappas
Pha
Port

Pratt
Putnam
Rest
Seeberger
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, Oumou Verbeten, Pha, Port, and Xiong.

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

Those who voted in the negative were:

Anderson
Bahr
Coleman
Dahms
Dornink

Draheim
Drazkowski
Eichorn
Green
Gruenhagen

Howe
Jasinski
Johnson
Koran
Kreun

Lieske
Limmer
Lucero
Mathews
Rarick

Rasmusson
Utke
Weber
Wesenberg

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Howe, Weber, and Wesenberg.

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

SPECIAL ORDER

S.F. No. 4699: A bill for an act relating to state government; modifying provisions governing health care, health insurance, health policy, emergency medical services, the Department of Health, the Department of Human Services, MNsure, health care workforce, health-related licensing boards, health care affordability and delivery, background studies, child protection and welfare, child care licensing, behavioral health, economic assistance, housing and homelessness, human services policy, the Minnesota Indian Family Preservation Act, and the Department of Children, Youth, and Families;

establishing the Office of Emergency Medical Services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; making technical and conforming changes; requiring reports; imposing penalties; providing appointments; making forecast adjustments; appropriating money; amending Minnesota Statutes 2022, sections 16A.055, subdivision 1a, by adding a subdivision; 16A.103, by adding a subdivision; 62A.0411; 62A.15, subdivision 4, by adding a subdivision; 62A.28, subdivision 2; 62D.02, subdivisions 4, 7; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.14, subdivision 1; 62D.19; 62D.20, subdivision 1; 62D.22, subdivision 5; 62E.02, subdivision 3; 62J.49, subdivision 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62Q.097, by adding a subdivision; 62Q.14; 62V.05, subdivision 12; 62V.08; 62V.11, subdivision 4; 103I.621, subdivisions 1, 2; 121A.15, subdivision 3, by adding a subdivision; 144.05, subdivision 6, by adding a subdivision; 144.058; 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3; 144.1501, subdivision 5; 144.1911, subdivision 2; 144.212, by adding a subdivision; 144.216, subdivision 2, by adding subdivisions; 144.218, by adding a subdivision; 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.99, subdivision 3; 144A.10, subdivisions 15, 16; 144A.471, by adding a subdivision; 144A.474, subdivision 13; 144A.61, subdivision 3a; 144A.70, subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72, subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision; 144G.16, subdivision 6; 146B.03, subdivision 7a; 146B.10, subdivisions 1, 3; 148.235, subdivision 10; 149A.02, subdivisions 3, 3b, 16, 23, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.65; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; 149A.97, subdivision 2; 151.01, subdivisions 23, 27; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 151.212, by adding a subdivision; 151.37, by adding a subdivision; 151.74, subdivision 6; 152.22, subdivision 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 2, 6, by adding a subdivision; 176.175, subdivision 2; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; 243.166, subdivision 7, as amended; 245.096; 245.462, subdivision 6; 245.4663, subdivision 2; 245A.04, subdivision 10, by adding a subdivision; 245A.043, subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.10, subdivisions 1, as amended, 2, as amended; 245A.14, subdivision 17; 245A.144; 245A.175; 245A.52, subdivision 2, by adding a subdivision; 245A.66, subdivision 2; 245C.05, subdivision 5; 245C.08, subdivision 4; 245C.10, subdivision 18; 245C.14, subdivision 1, by adding a subdivision; 245C.15, subdivisions 3, 4; 245C.22, subdivision 4; 245C.24, subdivisions 2, 5; 245C.30, by adding a subdivision; 245E.08; 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07, subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding a subdivision; 245G.22, subdivisions 6, 7; 245H.01, by adding subdivisions; 245H.08, subdivision 1; 245H.14, subdivisions 1, 4; 245I.02, subdivisions 17, 19; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivision 14; 256.01, subdivision 41, by adding a subdivision; 256.029, as amended; 256.045, subdivisions 3b, as amended, 5, as amended, 7, as amended; 256.0451, subdivisions 1, as amended, 22, 24; 256.046, subdivision 2, as amended; 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions; 256B.056, subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0625, subdivisions 12, 20, 39, by adding subdivisions; 256B.0757, subdivisions 4a, 4d, by adding a subdivision; 256B.0943, subdivision 12; 256B.0947, subdivision 5; 256B.76, subdivision

6; 256B.795; 256I.04, subdivision 2f; 256J.08, subdivision 34a; 256J.28, subdivision 1; 256K.45, subdivision 2; 256N.22, subdivision 10; 256N.24, subdivision 10; 256N.26, subdivisions 12, 13, 15, 16, 18, 21, 22; 256P.05, by adding a subdivision; 256R.02, subdivision 20; 259.20, subdivision 2; 259.37, subdivision 2; 259.52, subdivisions 2, 4; 259.53, by adding a subdivision; 259.79, subdivision 1; 259.83, subdivision 4; 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivisions 6, 26b; 260C.141, by adding a subdivision; 260C.178, subdivisions 1, as amended, 7; 260C.202; 260C.209, subdivision 1; 260C.212, subdivisions 1, 2; 260C.301, subdivision 1, as amended; 260C.329, subdivisions 3, 8; 260C.4411, by adding a subdivision; 260C.515, subdivision 4; 260C.607, subdivisions 1, 6; 260C.611; 260C.613, subdivision 1; 260C.615, subdivision 1; 260D.01; 260E.03, subdivision 23, as amended; 260E.30, subdivision 3, as amended; 260E.33, subdivision 2, as amended; 317A.811, subdivisions 1, 2, 4; 393.07, subdivision 10a; 518.17, by adding a subdivision; 519.05; 524.3-801, as amended; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 4, as amended; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 62J.84, subdivision 10; 62Q.46, subdivision 1; 62Q.473, by adding subdivisions; 62Q.522, subdivision 1; 119B.011, subdivision 15; 119B.16, subdivisions 1a, 1c; 119B.161, subdivision 2; 124D.142, subdivision 2, as amended; 142A.03, by adding a subdivision; 144.0526, subdivision 1; 144.1501, subdivisions 1, 2, 3, 4; 144.1505, subdivision 2; 144.2252, subdivision 2; 144.2253; 144.587, subdivision 4; 144A.4791, subdivision 10; 144E.101, subdivisions 6, 7, as amended; 145.561, subdivision 4; 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126, subdivision 6; 152.28, subdivision 1; 245.4889, subdivision 1; 245A.02, subdivision 2c; 245A.03, subdivisions 2, as amended, 7, as amended; 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11, subdivision 7; 245A.16, subdivisions 1, as amended, 11; 245A.211, subdivision 4; 245A.242, subdivision 2; 245A.50, subdivisions 3, 4; 245A.66, subdivision 4, as amended; 245C.02, subdivisions 6a, 13e; 245C.033, subdivision 3; 245C.08, subdivision 1; 245C.10, subdivision 15; 245C.15, subdivisions 2, 4a; 245C.31, subdivision 1; 245G.22, subdivisions 2, 17; 245H.06, subdivisions 1, 2; 245H.08, subdivisions 4, 5; 254B.04, subdivision 1a; 256.01, subdivision 12b; 256.043, subdivisions 3, 3a; 256.045, subdivision 3, as amended; 256.046, subdivision 3; 256.0471, subdivision 1, as amended; 256.969, subdivision 2b; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivisions 3a, 5m, 9, 13e, as amended, 13f, 13k, 16; 256B.064, subdivision 4; 256B.0671, subdivision 5; 256B.0701, subdivision 6; 256B.0947, subdivision 7; 256B.764; 256D.01, subdivision 1a; 256E.38, subdivision 4; 256I.05, subdivisions 1a, 11; 256L.03, subdivision 1; 256M.42, by adding a subdivision; 256P.06, subdivision 3; 259.83, subdivisions 1, 1b, 3a; 260.014, by adding a subdivision; 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding a subdivision; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; 342.01, subdivision 63; 342.52, subdivision 3; 342.53; 342.54, subdivision 2; 342.55, subdivision 2; 518A.42, subdivision 3; Laws 1987, chapter 404, section 18, subdivision 1; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter 57, article 1, section 6; Laws 2023, chapter 70, article 1, section 35; article 11, section 13, subdivision 8; article 12, section 30, subdivisions 2, 3; article 14, section 42, subdivision 6; article 20, sections 2, subdivisions 5, 22, 24, 29, 31; 3, subdivision 2; 12, as amended; 23; Laws 2024, chapter 80, article 1, sections 38, subdivisions 1, 2, 5, 6, 7, 9; 96; article 2, sections 5, subdivision 21, by adding a subdivision; 6, subdivisions 2, 3, 3a, by adding a subdivision; 7, subdivision 2; 10, subdivisions 1, 6; 16, subdivision 1, by adding a subdivision; 30, subdivision 2; 31; 74; article 4, section 26; article 6, section 4; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapters 62D; 62J; 62Q; 137; 142A; 144; 144A; 144E; 145; 149A; 151; 214;

245C; 245H; 256B; 259; 260; 260D; 260E; 524; proposing coding for new law as Minnesota Statutes, chapters 142B; 142F; 332C; repealing Minnesota Statutes 2022, sections 62A.041, subdivision 3; 144.218, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 245A.065; 245C.125; 256.01, subdivisions 12, 12a; 256B.79, subdivision 6; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; 260.755, subdivision 13; Minnesota Statutes 2023 Supplement, sections 62J.312, subdivision 6; 62Q.522, subdivisions 3, 4; 144.0528, subdivision 5; 245C.08, subdivision 2; Laws 2023, chapter 25, section 190, subdivision 10; Laws 2024, chapter 80, article 1, sections 38, subdivisions 3, 4, 11; 39; 43, subdivision 2; article 2, sections 1, subdivision 11; 3, subdivision 3; 4, subdivision 4; 6, subdivision 4; 10, subdivision 4; 33; 69; article 7, sections 3; 9; Minnesota Rules, parts 9502.0425, subparts 5, 10; 9545.0805, subpart 1; 9545.0845; 9560.0232, subpart 5.

Senator Wiklund moved to amend S.F. No. 4699 as follows:

Page 152, line 19, after the period, insert "This subdivision does not apply to settings exempt from assisted living licensure under section 144G.08, subdivision 7."

Page 262, line 7, delete everything after "(c)"

Page 262, line 8, delete everything before "the"

Page 390, line 4, delete "20" and insert "21"

Page 390, lines 17 and 23, delete "17" and insert "18"

Page 455, line 2, delete "each day the water bottle or cup is used to be cleaned and sanitized" and insert "to be cleaned and sanitized each day the water bottle or cup is used"

Page 534, line 7, delete "300,000" and insert "(300,000)"

Page 535, line 19, delete "\$1,791,000" and insert "\$1,967,000"

Page 554, line 25, reinstate the stricken language

Page 554, line 26, reinstate the stricken "analyses." and after the stricken "\$2,500,000" insert "\$825,000 in fiscal year 2024" and reinstate the stricken "is from the health care"

Page 554, line 27, reinstate the stricken language

Page 554, line 28, reinstate the stricken "analyses"

Page 554, line 30, reinstate the stricken "for a Minnesota"

Page 554, line 31, reinstate the stricken language

Page 554, line 32, reinstate the stricken "onetime appropriation"

Page 554, line 33, reinstate the stricken period

The motion prevailed. So the amendment was adopted.

Senator Kreun moved to amend S.F. No. 4699 as follows:

Page 45, delete section 12

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Lang moved to amend S.F. No. 4699 as follows:

Page 171, line 11, delete the first "one member" and insert "two members" and delete the second "one member" and insert "two members"

Page 171, line 15, after "house" insert "and the minority leader of the house" and after "must" insert "each"

Page 171, line 16, after "leader" insert "and the senate minority leader"

Page 171, line 17, after "must" insert "each"

The motion prevailed. So the amendment was adopted.

Senator Utke moved to amend S.F. No. 4699 as follows:

Page 54, delete section 5

Page 55, delete sections 7 to 9

Page 57, delete section 12

Page 58, delete section 15

Page 77, delete section 39

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Utke moved to amend S.F. No. 4699 as follows:

Page 58, after line 21, insert:

"Sec. 16. Minnesota Statutes 2022, section 62J.26, subdivision 4, is amended to read:

Subd. 4. **Sources of funding.** (a) The commissioner shall not use any funds for purposes of ~~this section~~ subdivisions 1 to 3 other than as provided in this subdivision or as specified in an appropriation.

(b) The commissioner may seek and accept funding from sources other than the state to pay for evaluations under this section to supplement or replace state appropriations. Any money received under this paragraph must be deposited in the state treasury, credited to a separate account for this purpose in the special revenue fund, and is appropriated to the commissioner for purposes of this section.

(c) If an evaluation is required under this section, the commissioner may use for purposes of the evaluation:

(1) any funds appropriated to the commissioner specifically for purposes of this section; or

(2) funds available under paragraph (b), if use of the funds for evaluation of that mandated health benefit proposal is consistent with any restrictions imposed by the source of the funds.

(d) The commissioner must ensure that the source of the funding has no influence on the process or outcome of the evaluation.

Sec. 17. Minnesota Statutes 2022, section 62J.26, is amended by adding a subdivision to read:

Subd. 6. Defrayal of cost. If an evaluation of a mandated health benefit proposal concludes that the proposal is projected to result in a net increase in per member per month costs for the total nonpublic insured population, upon passage of the proposal into law, and within 60 days of the date a statement is received from a health plan company, the commissioner must make payments to health plan companies to defray the cost of the mandated health benefit proposal on the products offered by the companies in the individual, small group, and large group markets. The existing process under Code of Federal Regulations, title 45, section 155.170, to defray the cost and ensure quantifiable cost calculation meets the requirements of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to all mandated health benefit proposals enacted after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Abeler moved to amend S.F. No. 4699 as follows:

Page 90, after line 16, insert:

"Sec. 15. [144.557] HOSPITAL CLOSURE REVIEW.

Subdivision 1. **Hospital closure review.** (a) For purposes of this section, "hospital" means an acute care institution licensed under sections 144.50 to 144.58.

(b) Notwithstanding any law to the contrary, from the effective date of this section, unless a public interest review meeting the requirements of subdivision 2 concludes that the intended actions in clauses (1) to (5) are not detrimental to the public's interest, a hospital or hospital campus is prohibited from:

(1) ceasing operations;

(2) curtailing operations to the extent that patients must be relocated;

(3) relocating the provision of health services to another hospital or another hospital campus;

(4) ceasing to offer maternity care and newborn care services, operating room services, intensive care unit services, pediatric overnight services, inpatient mental health services, or inpatient substance use disorder treatment services; or

(5) implementing an action listed in clauses (1) to (4) for which notice was provided to the commissioner of health and the public under section 144.555 before the effective date of this section.

(c) Paragraph (b) does not apply:

(1) if the hospital ceases operations due to insolvency of the corporation in accordance with chapter 317A or if insolvency proceedings are commenced under chapter 60B; or

(2) if the cessation in or curtailment of operations, relocation of health services, or cessation in offering certain health services is necessary, as determined by the commissioner of health, because of a fire, tornado, flood, storm damage, or other similar disaster.

(d) Notwithstanding any law to the contrary, the commissioner of health must enforce this section using the powers and authority in section 144.653.

Subd. 2. **Public interest review.** (a) A hospital or hospital campus that intends to take an action described in subdivision 1, paragraph (b), clauses (1) to (5), must submit an action plan to the commissioner. The action plan must include information that includes an explanation of how the intended action is not detrimental to the public's interest.

(b) Action plans submitted under this section shall include detailed information necessary for the commissioner to review the action plan and reach a determination. The commissioner may request additional information from the hospital submitting an action plan under this subdivision and from others potentially affected by the intended action that the commissioner deems necessary to review the action plan and make a determination. If the commissioner determines that additional information is required from the hospital submitting an action plan under this subdivision, the commissioner shall notify the hospital of the additional information required no more than 15 days after the initial submission of the action plan.

(c) The commissioner shall review the action plan and, within 30 calendar days of the date on which the commissioner receives complete information, issue a determination on whether the intended action is detrimental to the public's interest. In making a determination, the commissioner must consider issues including but not limited to:

(1) whether the intended action will deny timely access to care or access to services given the number of available beds in the region. For the purposes of this clause, "available beds" means the number of licensed acute care beds that are immediately available for use or could be brought online within 48 hours without significant facility modifications;

(2) the operational impact of the intended action on existing acute-care hospitals in the region; and

(3) how the intended action will affect the ability of existing hospitals in the region to provide adequate and timely care, particularly for those health services that will be relocated or no longer offered if the intended action is taken.

(d) Data collected, created, or maintained pursuant to this section is nonpublic data, as defined under section 13.02, subdivision 9.

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

Page 547, after line 12, insert:

"(c) **Hospital Closure Review.** The general fund appropriation includes administrative support for hospital closure reviews under Minnesota Statutes, section 144.557."

Page 547, line 13, delete "(c)" and insert "(d)"

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Bahr, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

The motion prevailed. So the amendment was adopted.

Senator Lieske moved to amend S.F. No. 4699 as follows:

Page 394, delete section 5

Page 395, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon	Carlson	Champion	Cwodzinski	Dibble
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Dziedzic
Fateh
Frentz
Hauschild
Hawj
Hoffman

Klein
Kunesh
Kupec
Latz
Mann
Marty

Maye Quade
McEwen
Mitchell
Mohamed
Morrison
Murphy

Oumou Verbeten
Pappas
Pha
Port
Putnam
Rest

Seeberger
Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Drazkowski moved to amend S.F. No. 4699 as follows:

Page 290, after line 28, insert:

"Sec. 4. Laws 2021, First Special Session chapter 7, article 2, section 75, is amended to read:

Sec. 75. CHILD CARE CENTER REGULATION MODERNIZATION.

(a) The commissioner of human services shall contract with an experienced and independent organization or individual consultant to conduct the work outlined in this section. If practicable, the commissioner must contract with the National Association for Regulatory Administration.

(b) The consultant must develop a proposal for revised licensing standards that includes a risk-based model for monitoring compliance with child care center licensing standards, grounded in national regulatory best practices. Violations in the new model must be weighted to reflect the potential risk that the violations pose to children's health and safety, and licensing sanctions must be tied to the potential risk. The proposed new model must protect the health and safety of children in child care centers and be child-centered, family-friendly, and fair to providers.

(c) The consultant shall develop and implement a stakeholder engagement process that solicits input from parents, licensed child care centers, staff of the Department of Human Services, and experts in child development about appropriate licensing standards, appropriate tiers for violations of the standards based on the potential risk of harm that each violation poses, and appropriate licensing sanctions for each tier.

(d) The consultant shall solicit input from parents, licensed child care centers, and staff of the Department of Human Services about which child care centers should be eligible for abbreviated inspections that predict compliance with other licensing standards for licensed child care centers using key indicators previously identified by an empirically based statistical methodology developed by the National Association for Regulatory Administration and the Research Institute for Key Indicators.

(e) No later than February 1, 2024, the commissioner shall submit a report and proposed legislation required to implement the new licensing model to the chairs and ranking minority members of the legislative committees with jurisdiction over child care regulation.

(f) The new licensing model proposed under paragraph (e) cannot be implemented any earlier than July 1, 2027.

Sec. 5. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to read:

Sec. 81. FAMILY CHILD CARE REGULATION MODERNIZATION.

(a) The commissioner of human services shall contract with an experienced and independent organization or individual consultant to conduct the work outlined in this section. If practicable, the commissioner must contract with the National Association for Regulatory Administration.

(b) The consultant must develop a proposal for updated family child care licensing standards and solicit input from stakeholders as described in paragraph (d).

(c) The consultant must develop a proposal for a risk-based model for monitoring compliance with family child care licensing standards, grounded in national regulatory best practices. Violations in the new model must be weighted to reflect the potential risk they pose to children's health and safety, and licensing sanctions must be tied to the potential risk. The proposed new model must protect the health and safety of children in family child care programs and be child-centered, family-friendly, and fair to providers.

(d) The consultant shall develop and implement a stakeholder engagement process that solicits input from parents, licensed family child care providers, county licensors, staff of the Department of Human Services, and experts in child development about licensing standards, tiers for violations of the standards based on the potential risk of harm that each violation poses, and licensing sanctions for each tier.

(e) The consultant shall solicit input from parents, licensed family child care providers, county licensors, and staff of the Department of Human Services about which family child care providers should be eligible for abbreviated inspections that predict compliance with other licensing standards for licensed family child care providers using key indicators previously identified by an empirically based statistical methodology developed by the National Association for Regulatory Administration and the Research Institute for Key Indicators.

(f) No later than February 1, 2024, the commissioner shall submit a report and proposed legislation required to implement the new licensing model and the new licensing standards to the chairs and ranking minority members of the legislative committees with jurisdiction over child care regulation.

(g) The updated family child care licensing standards proposed under paragraph (b) and the risk-based model for monitoring compliance with family child care licensing standards proposed under paragraph (c) cannot be implemented any earlier than July 1, 2027."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Nelson moved to amend S.F. No. 4699 as follows:

Page 95, after line 7, insert:

"Sec. 25. [145.4161] LICENSURE OF ABORTION FACILITIES.

Subdivision 1. Definitions. (a) For purposes of this section, the following definitions apply.

(b) "Abortion facility" means a clinic, health center, or other facility in which the pregnancies of ten or more women known to be pregnant are willfully terminated or aborted each month. A facility licensed as a hospital or as an outpatient surgical center pursuant to sections 144.50 to 144.56 shall not be considered an abortion facility.

(c) "Accrediting or membership organization" means a national organization that establishes evidence-based clinical standards for abortion care and accredits abortion facilities or accepts as members abortion facilities following an application and inspection process.

(d) "Commissioner" means the commissioner of health.

Subd. 2. License required. (a) Beginning July 1, 2025, no abortion facility shall be established, operated, or maintained in the state without first obtaining a license from the commissioner according to this section.

(b) A license issued under this section is not transferable or assignable and is subject to suspension or revocation at any time for failure to comply with this section.

(c) If a single entity maintains abortion facilities on different premises, each facility must obtain a separate license.

(d) To be eligible for licensure under this section, an abortion facility must be accredited or a member of an accrediting or membership organization or must obtain accreditation or membership within six months of the date of the application for licensure. If the abortion facility loses its accreditation or membership, the abortion facility must immediately notify the commissioner.

(e) The commissioner, the attorney general, an appropriate county attorney, or a woman upon whom an abortion has been performed or attempted to be performed at an unlicensed facility may seek an injunction in district court against the continued operation of the facility. Proceedings for securing an injunction may be brought by the attorney general or by the appropriate county attorney.

(f) Sanctions provided in this subdivision do not restrict other available sanctions.

Subd. 3. **Temporary license.** For new abortion facilities planning to begin operations on or after July 1, 2025, the commissioner may issue a temporary license to the abortion facility that is valid for a period of six months from the date of issuance. The abortion facility must submit to the commissioner an application and applicable fee for licensure as required under subdivisions 4 and 7. The application must include the information required under subdivision 4, clauses (1), (2), (3), (5), and (6), and provide documentation that the abortion facility has submitted the application for accreditation or membership from an accrediting or membership organization. Upon receipt of accreditation or membership verification, the abortion facility must submit to the commissioner the information required in subdivision 4, clause (4), and the applicable fee under subdivision 7. The commissioner shall then issue a new license.

Subd. 4. **Application.** An application for a license to operate an abortion facility and the applicable fee under subdivision 7 must be submitted to the commissioner on a form provided by the commissioner and must contain:

(1) the name of the applicant;

(2) the site location of the abortion facility;

(3) the name of the person in charge of the facility;

(4) documentation that the abortion facility is accredited or an approved member of an accrediting or membership organization, including the effective date and the expiration date of the accreditation or membership, and the date of the last site visit by the accrediting or membership organization;

(5) the names and license numbers, if applicable, of the health care professionals on staff at the abortion facility; and

(6) any other information the commissioner deems necessary.

Subd. 5. **Inspections.** Prior to initial licensure and at least once every two years thereafter, the commissioner shall perform a routine and comprehensive inspection of each abortion facility. Facilities shall be open at all reasonable times to an inspection authorized in writing by the commissioner. No notice need be given to any person prior to an inspection authorized by the commissioner.

Subd. 6. **Suspension, revocation, and refusal to renew.** The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the grounds described under section 144.55, subdivision 6, paragraph (a), clause (2), (3), or (4), or upon the loss of accreditation or membership as described in subdivision 4, clause (4). The applicant or licensee is entitled to a notice and a hearing as described under section 144.55, subdivision 7, and a new license may be issued after proper inspection of an abortion facility has been conducted.

Subd. 7. **Fees.** (a) The biennial license fee for abortion facilities is \$365.

(b) The temporary license fee is \$365.

(c) Fees shall be collected and deposited according to section 144.122.

Subd. 8. **Renewal.** (a) A license issued under this section expires two years from the date of issuance.

(b) A temporary license issued under this section expires six months from the date of issuance and may be renewed for one additional six-month period.

Subd. 9. **Records.** All health records maintained on each client by an abortion facility are subject to sections 144.292 to 144.298.

Subd. 10. **Severability.** If any one or more provision, section, subdivision, sentence, clause, phrase, or word of this section or the application of it to any person or circumstance is found to be unconstitutional, it is declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature intends that it would have passed this section, and each provision, section, subdivision, sentence, clause, phrase, or word, regardless of the fact that any one provision, section, subdivision, sentence, clause, phrase, or word is declared unconstitutional."

Page 547, after line 12, insert:

"(c) **Abortion Facility Licensing.** \$55,000 from the state government special revenue fund in fiscal year 2025 is for licensing activities under Minnesota Statutes, section 145.4161. The state government special revenue fund base for this appropriation is \$8,000 in fiscal year 2026 and \$42,000 in fiscal year 2027."

Reletter the paragraphs in sequence

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Nelson appealed the decision of the President.

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

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

So the decision of the President was sustained.

Senator Gruenhagen moved to amend S.F. No. 4699 as follows:

Page 54, delete section 6

Page 57, delete section 13

Page 58, delete section 14

Page 59, delete section 17

Page 62, delete section 21

Page 72, delete section 30

Page 77, delete line 24

Page 77, line 25, delete "(b)" and insert "(a)"

Page 549, line 13, delete "(a)"

Page 549, delete lines 24 to 34

Page 550, delete lines 1 and 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Mathews moved to amend S.F. No. 4699 as follows:

Page 63, delete section 22

Page 72, delete section 28

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Abeler moved to amend S.F. No. 4699 as follows:

Page 62, line 13, after "including" insert "but not limited to: (1)" and delete "and" and insert ";(2)" and after the third "services" insert ";(3) postabortion mental health services for individuals with associated emotional trauma or remorse; and (4) perinatal hospice and palliative care"

Page 63, line 7, after "date" insert ", except that the coverage required under subdivision 2, paragraph (a), items (3) and (4), is effective January 1, 2028, and applies to health plans offered, sold, issued, or renewed on or after that date"

Page 63, line 12, after "care" insert ", including but not limited to the reversal of a prior gender-affirming procedure or treatment"

Page 63, after line 15, insert:

"Subd. 2. Coverage for follow-up visits. A health plan must provide coverage for at least one follow-up visit with a health care provider during each of the following periods after a gender-affirming procedure or treatment:

(1) after the procedure or treatment and before the date one year after the procedure or treatment;

(2) on or after the date two years after the procedure or treatment and before the date five years after the procedure or treatment; and

(3) on or after the date five years after the procedure or treatment and before the date ten years after the procedure or treatment."

Page 64, line 1, after "2025" insert ", except the language expressly including reversal of a prior gender-affirming procedure or treatment in subdivision 1, clause (1), and subdivision 2 are effective January 1, 2028"

Renumber the subdivisions in sequence

Senator Abeler requested division of his amendment as follows:

First portion:

Page 63, line 12, after "care" insert ", including but not limited to the reversal of a prior gender-affirming procedure or treatment"

Page 63, after line 15, insert:

"Subd. 2. Coverage for follow-up visits. A health plan must provide coverage for at least one follow-up visit with a health care provider during each of the following periods after a gender-affirming procedure or treatment:

(1) after the procedure or treatment and before the date one year after the procedure or treatment;

(2) on or after the date two years after the procedure or treatment and before the date five years after the procedure or treatment; and

(3) on or after the date five years after the procedure or treatment and before the date ten years after the procedure or treatment."

Page 64, line 1, after "2025" insert ", except the language expressly including reversal of a prior gender-affirming procedure or treatment in subdivision 1, clause (1), and subdivision 2 are effective January 1, 2028"

Renumber the subdivisions in sequence

The question was taken on the adoption of the first portion of the Abeler amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Jasinski	Lieske	Rarick
Coleman	Green	Johnson	Limmer	Rasmusson
Dornink	Gruenhagen	Koran	Mathews	Utke
Draheim	Housley	Kreun	Miller	Weber
Duckworth	Howe	Lang	Pratt	Wesenberg

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

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

The motion did not prevail. So the first portion of the amendment was not adopted.

Second portion:

Page 62, line 13, after "including" insert "but not limited to: (1)" and delete "and" and insert ";(2)" and after the third "services" insert ";(3) postabortion mental health services for individuals with associated emotional trauma or remorse; and (4) perinatal hospice and palliative care"

Page 63, line 7, after "date" insert ", except that the coverage required under subdivision 2, paragraph (a), items (3) and (4), is effective January 1, 2028, and applies to health plans offered, sold, issued, or renewed on or after that date"

The question was taken on the adoption of the second portion of the Abeler amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

The motion did not prevail. So the second portion of the amendment was not adopted.

Senator Utke moved to amend S.F. No. 4699 as follows:

Page 89, line 27, delete "must" and insert "may"

Page 89, line 31, delete "not"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Gruenhagen moved to amend S.F. No. 4699 as follows:

Page 62, delete section 21 and insert:

"Sec. 21. [62Q.524] OPTIONAL COVERAGE; ABORTION-RELATED SERVICES; GENDER-AFFIRMING CARE.

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

(b) "Abortion" means any medical treatment intended to induce the termination of a pregnancy with a purpose other than producing a live birth.

(c) "Gender-affirming care" means all medical, surgical, counseling, or referral services, including telehealth services, that an individual may receive to support and affirm the individual's gender identity or gender expression and that are legal under the laws of this state.

(d) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages listed in section 62A.011, subdivision 3, clauses (7) and (10).

Subd. 2. Optional coverage. A health plan may provide coverage for:

(1) abortions and abortion-related services, including preabortion services and follow-up services; and

(2) medically necessary gender-affirming care.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date."

Page 63, delete section 22

Page 72, delete section 28

Page 72, delete section 30

Page 549, line 13, delete "(a)"

Page 549, delete lines 24 to 34

Page 550, delete lines 1 and 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

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

S.F. No. 4699 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Duckworth cast the negative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Nelson, Weber, and Wesenberg.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Murphy moved that H.F. No. 3204 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated H.F. No. 3204 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3204: A bill for an act relating to domestic relations; modifying parenting time provisions; amending Minnesota Statutes 2022, sections 257.025; 518.131, subdivisions 1, 11; 518.14; 518.17, subdivisions 1, 3; 518.175, subdivisions 1, 6; proposing coding for new law in Minnesota Statutes, chapter 518.

Senator Westlin moved to amend H.F. No. 3204 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3204 , and insert the language after the enacting clause, and the title, of S.F. No. 2759 , the first engrossment.

The motion prevailed. So the amendment was adopted.

Senator Westlin moved to amend H.F. No. 3204, as amended by the Senate May 3, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 2759.)

Page 12, after line 5, insert:

"Sec. 10. EFFECTIVE DATE.

This article is effective August 1, 2024, and applies to proceedings commenced on or after that date."

Page 16, line 30, after "after" insert "the date"

Page 17, line 16, strike "maintenance or"

Page 19, line 29, strike "or maintenance"

Page 20, lines 11, 21, and 31, strike "maintenance or"

Page 23, line 19, before "award" insert "an"

Page 24, line 7, before "agreement" insert "an"

Page 24, line 8, before "waiver" insert "a"

Page 25, line 10, after the period, insert "An antenuptial agreement entered into before August 1, 2024, shall not be invalidated based on the same sex of the parties to the agreement."

Page 25, line 14, delete everything after the period

Page 25, delete line 15

Page 26, delete line 3 and insert:

"Assisted reproduction does not include a pregnancy under a surrogacy agreement, the pregnancy of a surrogate, the transfer of an embryo to a surrogate, or when a child is conceived pursuant to a surrogacy agreement. For purposes of this subdivision, "surrogate" means an individual who agrees to become pregnant but who does not intend to be legally bound as a parent of the child."

Page 26, line 5, before "establishment" insert "the"

Page 26, line 10, before "intended parent" insert "an"

Page 26, line 11, before "egg" insert "an"

Page 27, line 11, after "relief" insert "that"

Page 27, line 12, before "judgment" insert "a"

Page 27, line 27, delete the comma

Page 28, line 1, after "intended" insert "that"

Page 28, line 10, after "intended" insert "that"

Page 28, line 19, delete the first comma and after "finds" insert "that"

Page 29, line 1, before "transfer" insert "the"

Page 29, line 5, before "dissolution" insert "a" and before "annulment" insert "an" and before "declaration" insert "a" and before "legal" insert "a"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Lucero moved to amend H.F. No. 3204, as amended by the Senate May 3, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 2759.)

Page 6, line 26, after "legal" insert "and physical"

Page 8, line 31, delete "at least" and strike "25" and insert "50"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Drazkowski	Howe	Lucero	Weber
Bahr	Duckworth	Jasinski	Mathews	Wesenberg
Coleman	Eichorn	Johnson	Miller	
Dahms	Green	Koran	Pratt	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Utke	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

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

Senator Lucero moved to amend H.F. No. 3204, as amended by the Senate May 3, 2024, as follows:

(The text of the amended House File is identical to S.F. No. 2759.)

Page 6, line 26, after "legal" insert "and physical"

Page 8, line 31, delete "at least" and strike "25" and insert "40"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Draheim	Gruenhagen	Lieske	Rarick
Bahr	Drazkowski	Housley	Lucero	Utke
Coleman	Duckworth	Howe	Mathews	Weber
Dahms	Eichorn	Koran	Miller	Wesenberg
Dornink	Green	Lang	Pratt	

Pursuant to Rule 40, Senator Duckworth cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Weber, and Wesenberg.

Those who voted in the negative were:

Boldon	Gustafson	Kunesh	Mitchell	Putnam
Carlson	Hauschild	Kupec	Mohamed	Rasmusson
Champion	Hawj	Latz	Morrison	Rest
Cwodziński	Hoffman	Limmer	Murphy	Seeberger
Dibble	Jasinski	Mann	Oumou Verbeten	Westlin
Dziedzic	Johnson	Marty	Pappas	Wiklund
Fateh	Klein	Maye Quade	Pha	Xiong
Frentz	Kreun	McEwen	Port	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

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

H.F. No. 3204 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Boldon, Dziedzic, Fateh, Kunesh, Mann, Marty, McEwen, Morrison, Oumou Verbeten, Pha, Port, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Dahms, Draheim, Housley, Howe, Miller, Nelson, and Weber.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 5247.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 3, 2024

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 5247: A bill for an act relating to taxation; modifying individual income taxes, corporate franchise taxes, property taxes, local government aids, minerals taxes, sales and use taxes, gross receipts taxes, excise taxes, and other tax-related provisions; modifying income tax credits and subtractions; expanding the child tax credit and providing for a minimum credit; providing for nonconformity to certain worker classification rules; providing for disclosure of certain corporate franchise tax information; providing for direct free filing; requiring a corporate tax base erosion study; modifying property tax exemptions, credits, classifications, and abatements; adjusting local government aid calculations and payments and forgiving local government aid penalties; providing for an advance homestead credit for seniors; providing for transfers and distributions of proceeds of minerals taxes; providing for issuance of revenue bonds; providing for an amusement device gross receipts tax in lieu of the sales and use tax; providing sales and use tax construction exemptions; repealing the tax on illegal marijuana and controlled substances; providing special tax increment financing authority; authorizing cities and counties to impose local sales and use taxes for certain projects; establishing a local sales tax equalization distribution; providing for state auditor oversight of local sales and use taxes; modifying certain special local taxes; providing for taxpayer assistance and outreach grants; providing aid for various uses; providing for the establishment of land valuation districts; making technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71, subdivision 8; 270C.21; 270C.445,

subdivision 6; 272.02, subdivisions 7, 19, by adding subdivisions; 273.13, subdivision 22; 273.135, subdivision 2; 273.1393; 273.38; 273.41; 275.065, by adding a subdivision; 276.04, subdivision 2, as amended, by adding a subdivision; 276A.01, subdivision 17; 276A.06, subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by adding a subdivision; 290.0683, subdivision 3; 290.92, by adding a subdivision; 290A.03, by adding subdivisions; 295.53, subdivision 4a; 297A.68, subdivisions 3a, 45; 297A.99, subdivision 3, by adding a subdivision; 297I.20, subdivision 4; 298.17; 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812, by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision; 469.190, subdivisions 1, 7; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4; Minnesota Statutes 2023 Supplement, sections 41B.0391, subdivision 4; 123B.71, subdivision 12; 126C.40, subdivision 6; 273.13, subdivisions 25, 34; 273.1392; 275.065, subdivision 3; 290.01, subdivision 19; 290.0132, subdivision 34; 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 1, 8, by adding a subdivision; 290.0671, subdivision 1a; 290.0693, subdivisions 1, 6, 8; 290.0695, subdivision 2; 290A.03, subdivisions 3, 13; 297A.61, subdivision 3; 297A.99, subdivision 1; 297H.13, subdivision 2; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 349.12, subdivision 25; 477A.30, subdivisions 4, 5, 6, 7; 477A.35, subdivision 6; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter 400, section 44, as amended; Laws 2010, chapter 389, article 7, section 22, as amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections 22; 28; proposing coding for new law in Minnesota Statutes, chapters 270B; 273; 289A; 290A; 295; 297A; 428A; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 477A.30, subdivision 8; Laws 2023, chapter 64, article 15, section 24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 5234, now on General Orders.

MEMBERS EXCUSED

Senator Abeler was excused from the Session of today from 10:00 to 11:20 a.m. Senator Dahms was excused from the Session of today from 10:00 a.m. to 12:30 p.m. Senators Green and Johnson were excused from the Session of today from 10:55 to 11:55 a.m. Senator Lieske was excused from the Session of today from 12:40 to 12:50 p.m. Senator Eichorn was excused from the Session of today from 12:45 to 3:00 p.m. Senator Draheim was excused from the Session of today from 4:00 to 4:05 p.m. and from 8:40 to 8:50 p.m. Senator Westrom was excused from the Session of today from 4:15 to 5:25 p.m. and at 6:00 p.m. Senator Kreun was excused from the Session of today from 4:35 to 4:40 p.m. Senator Farnsworth was excused from the Session of today at 5:10 p.m. Senator Howe was excused from the Session of today from 5:30 to 9:30 p.m. Senators Coleman, Jasinski, and Lang were excused from the Session of today from 7:15 to 7:35 p.m. Senator Miller was excused from the Session of today from 10:10 to 10:20 p.m. Senator Duckworth was excused from the Session of today from 10:10 to 10:20 p.m. and at 4:20 a.m. Senator Nelson was excused from the Session of today from 3:00 to 4:00 a.m. and from 4:15 to 4:20 a.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Monday, May 6, 2024.
The motion prevailed.

Thomas S. Bottern, Secretary of the Senate