TWENTIETH LEGISLATIVE DAY

St. Paul, Minnesota, Thursday, April 10, 2025

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

CALL OF THE SENATE

Senator Klein 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. Daniel Haugan.

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

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

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 568, 2162, and 2038. The motion prevailed.

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

S.F. No. 568: A bill for an act relating to veterans; expanding the definition of the term veteran; establishing an advisory task force; amending Minnesota Statutes 2024, section 197.447.

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

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2162: A bill for an act relating to transportation; modifying state-aid engineering and design standards variances; authorizing local road authorities to adopt design elements without state-aid engineering and design variances; modifying state-aid variance procedures; establishing advisory committee on design variances; requiring legislative notification for denied variances; requiring a report; amending Minnesota Statutes 2024, sections 162.02, subdivision 3a, by adding subdivisions; 162.09, subdivision 3a, by adding subdivisions; 162.155; proposing coding for new law in Minnesota Statutes, chapter 162; repealing Minnesota Rules, parts 8820.3300, subparts 1, 1a, 3, 4; 8820.3400.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

Subd. 1a. **State-aid standards.** Design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing county state-aid projects approved by the state-aid engineer are determined and set by the most recent edition of the Facility Design Guide or successor document established by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 2. Minnesota Statutes 2024, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. **Variances from rules and engineering standards.** (a) The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner ~~shall~~ must comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) The commissioner may grant or deny the variance within 30 days of receiving the variance request. If the variance is denied, the political subdivision may request, within 30 days of receiving notice of denial, and ~~shall~~ must be granted a contested case hearing. The commissioner must use the criteria set forth in subdivision 3c to evaluate the variance request.

(c) If the commissioner denies a variance, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and provide justification for denying the variance within 30 days of notifying the political subdivision of the denial. The justification must include the commissioner's reasoning for the denial, the recommendation of the advisory committee on variances, and the reasoning used by the committee to approve or deny the variance.

~~(c)~~ (d) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

(e) The commissioner must give special consideration to proposed modifications for:

(1) narrowing lanes from 11 feet to ten feet for roadways in an urban or suburban context;

(2) designs allowed by current Department of Transportation trunk highway standards for roadways of similar context;

(3) any design element intended to increase the safety of nonmotorized transportation to and from a school;

(4) any design element in a project funded by the safe routes to school program, except where specifically prohibited in the current Department of Transportation Facility Design Guide; or

(5) a variance request that specifically states the proposed design modification is based on the following alternative design manuals:

(i) the American Association of State Highway and Transportation Officials' (AASHTO) A Policy on Geometric Design Highways and Streets or other AASHTO design guides formally recognized by the Federal Highway Administration;

(ii) the Institute of Transportation Engineers' Designing Walkable Urban Thoroughfares: A Context Sensitive Approach and Implementing Context Sensitive Design Handbook;

(iii) the National Association of City Transportation Officials' (NACTO) Urban Street Design Guide and other NACTO design guides formally recognized by the Federal Highway Administration;

(iv) the Global Designing Cities Initiative's (GDCI) Global Street Design Guide and Designing Streets for Kids supplement; or

(v) any other design guide recognized or approved by the Federal Highway Administration in United States Code, title 23, section 109(o)(B).

(f) Paragraph (e) does not apply to a natural preservation route established under section 162.021.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 3. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

Subd. 3c. **Variance format.** To submit a formal request for a variance from applicable design standards under subdivision 1a, a political subdivision must submit a written request to the commissioner. The written request must be in the form of an adopted resolution. The request must:

(1) identify the project by location and termini;

(2) cite the specific part or standard for which the variance is requested from county state-aid design rules;

(3) describe the proposed modification and include technical information about the design, including:

(i) an index map; and

(ii) a typical section with an inplace section and a proposed section;

(4) describe the economic, social, safety, and environmental impacts that may result from the requested variance;

(5) identify the project's effectiveness in eliminating an existing and projected deficiency in the transportation system, including identifying and citing whether the existing roadway's design meets a recognized or approved Federal Highway Administration design guide standard for a similar road context;

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

(8) identify relevant safety considerations as they apply to:

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

(v) fire, police, and emergency service providers.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 4. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

Subd. 1a. **State-aid standards.** Design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing municipal state-aid projects approved by the state-aid engineer are determined and set by the most recent edition of the Facility Design Guide or successor document established by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 5. Minnesota Statutes 2024, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. **Variances from rules and engineering standards.** (a) The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner ~~shall~~ must comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) The commissioner may grant or deny the variance within 30 days of receiving the variance request. If the variance is denied, the political subdivision may request, within 30 days of receiving notice of denial, and ~~shall~~ must be granted a contested case hearing. The commissioner must use the criteria set forth in subdivision 3b to evaluate the variance request.

(c) If the commissioner denies a variance, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and provide justification for denying the variance within 30 days of notifying the political subdivision of the denial. The justification must include the commissioner's reasoning for the denial, the recommendation of the advisory committee on variances, and the reasoning used by the committee to approve or deny the variance.

~~(c)~~ (d) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

(e) The commissioner must give special consideration to proposed modifications for:

(1) narrowing lanes from 11 feet to ten feet for roadways in an urban or suburban context;

(2) designs allowed by current Department of Transportation trunk highway standards for roadways of similar context;

(3) any design element intended to increase the safety of nonmotorized transportation to and from a school;

(4) any design element in a project funded by the safe routes to school program, except where specifically prohibited in the current Department of Transportation Facility Design Guide; or

(5) a variance request that specifically states the proposed design modification is based on the following alternative design manuals:

(i) the American Association of State Highway and Transportation Officials' (AASHTO) A Policy on Geometric Design Highways and Streets or other AASHTO design guides formally recognized by the Federal Highway Administration;

(ii) the Institute of Transportation Engineers' Designing Walkable Urban Thoroughfares: A Context Sensitive Approach and Implementing Context Sensitive Design Handbook;

(iii) the National Association of City Transportation Officials' (NACTO) Urban Street Design Guide and other NACTO design guides formally recognized by the Federal Highway Administration;

(iv) the Global Designing Cities Initiative's (GDCI) Global Street Design Guide and Designing Streets for Kids supplement; or

(v) any other design guide recognized or approved by the Federal Highway Administration in United States Code, title 23, section 109(o)(B).

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 6. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

Subd. 3b. **Variance format.** To submit a formal request for a variance from municipal state-aid design rules, a political subdivision must submit a written request to the commissioner. The written request must be in the form of an adopted resolution. The request must:

(1) identify the project by location and termini;

(2) cite the specific part or standard for which the variance is requested from municipal state-aid design rules;

(3) describe the proposed modification and include technical information about the design, including:

(i) an index map; and

(ii) a typical section with an inplace section and a proposed section;

(4) describe the economic, social, safety, and environmental impacts that may result from the requested variance;

(5) identify the effectiveness of the project in eliminating an existing and projected deficiency in the transportation system, including identifying and citing whether the existing roadway's design meets a recognized or approved Federal Highway Administration design guide standard for a similar road context;

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

(8) identify relevant safety considerations as they apply to:

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

(v) fire, police, and emergency service providers.

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 7. **[162.095] ADVISORY COMMITTEE ON DESIGN VARIANCES.**

Subdivision 1. **Establishment.** An advisory committee on design variances is established to investigate and determine a recommendation for each variance submitted under sections 162.02, subdivision 3a, and 162.09, subdivision 3a.

Subd. 2. **Membership.** (a) The advisory committee on design variances called by the commissioner under subdivision 3 must consist of the following members:

(1) not more than two county highway engineers, only one of whom may be from a county containing a city of the first class;

(2) not more than two city engineers, only one of whom may be from a city of the first class;

(3) not more than two county officials, only one of whom may be from a county containing a city of the first class;

(4) not more than two officials of an urban municipality, only one of whom may be from a city of the first class;

(5) not more than two representatives of the Office of Transit and Active Transportation in the Department of Transportation, one of whom must be an engineer; and

(6) one representative from the State Aid for Local Transportation Office in the Department of Transportation with experience in project design and the safety factors specified in sections 162.02, subdivision 3c, and 162.09, subdivision 3b.

(b) No elected or appointed official that represents a political subdivision may serve on the committee.

(c) The committee must have at least one member but not more than 12 members from a metropolitan area as defined in section 473.121, subdivision 2, as well as cities with a population over 50,000 according to the most recent federal census.

Subd. 3. **Operating procedure; open meeting law.** (a) The advisory committee must meet at the call of the commissioner, at which time the committee must be instructed as to the committee's responsibilities by a designee of the commissioner. The members of the advisory committee must

elect a chair from the members of the group at the initial meeting and may set bylaws and procedures to investigate the requested variance.

(b) An advisory committee organized under this section is subject to the Minnesota Open Meeting Law under chapter 13D.

Subd. 4. **Factors considered.** The advisory committee must make a recommendation for a variance based on criteria set forth in sections 162.02, subdivision 3c, and 162.09, subdivision 3b. The advisory committee must give special consideration to safety if the proposed project design is intended to increase the safety of nonmotorized transportation to and from a school.

Subd. 5. **Recommendation.** After considering all data pertinent to the requested variance, the advisory committee must recommend to the commissioner approval or denial of the request. If the committee denies the variance, the committee must provide specific reasoning for the denial and identify the design standard used to evaluate the denial.

Subd. 6. **Administration.** Upon request of the advisory committee, the commissioner must provide meeting space, technical support, and administrative services for the group.

Subd. 7. **Legislative report.** By January 15 of each even-numbered year, the commissioner of transportation must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must summarize the activities of any advisory committee on variances from the prior two years, identify the committees' analysis and findings for each variance approved or denied, identify whether the commissioner and the advisory committee came to a different decision on a requested variance and identify the reasons for the difference, and provide recommendations on improvements to the advisory committee.

EFFECTIVE DATE. This section is effective July 1, 2025, for state-aid design variances sought on or after that date.

Sec. 8. Minnesota Statutes 2024, section 162.155, is amended to read:

162.155 RULEMAKING.

~~(a) The commissioner shall adopt rules setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules must include, but are not limited to, economic, engineering and safety guidelines.~~

~~(b)~~ (a) The commissioner shall adopt rules establishing the engineering standards for cost estimation under sections 162.07, subdivision 2, and 162.13, subdivision 2.

~~(c)~~ (b) The rules adopted by the commissioner under this section, and sections 162.02; 162.07, subdivision 2; 162.09; and 162.13, subdivision 2, are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that, notwithstanding paragraph (b) of that section, the rules continue in effect until repealed or superseded by other law or rule.

Sec. 9. Minnesota Statutes 2024, section 171.306, subdivision 8, is amended to read:

Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner must adopt the performance standards and certification process of subdivision 2~~,~~ and the program guidelines of subdivision 3~~,~~ as rules and any other rules necessary to implement this section, ~~the commissioner is~~ subject to chapter 14.

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

Sec. 10. **REPEALER.**

Minnesota Rules, parts 8820.2500; 8820.3300, subparts 1, 1a, 3, and 4; 8820.3400; 8820.9926, subpart 1; 8820.9936; 8820.9946; 8820.9956; and 8820.9995, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2025, for new state-aid roadway projects designed, constructed, reconstructed, rehabilitated, or resurfaced on or after that date."

Delete the title and insert:

"A bill for an act relating to transportation; modifying state-aid engineering and design standards variances; authorizing local road authorities to adopt design elements without state-aid engineering and design variances; modifying state-aid variance procedures; establishing advisory committee on design variances; requiring legislative notification for denied variances; requiring the adoption of rules relating to the ignition interlock program; requiring a report; amending Minnesota Statutes 2024, sections 162.02, subdivision 3a, by adding subdivisions; 162.09, subdivision 3a, by adding subdivisions; 162.155; 171.306, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 162; repealing Minnesota Rules, parts 8820.2500; 8820.3300, subparts 1, 1a, 3, 4; 8820.3400; 8820.9926, subpart 1; 8820.9936; 8820.9946; 8820.9956; 8820.9995."

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

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2038: A bill for an act relating to Metropolitan Council; expanding application of small business programs; authorizing direct negotiation of certain contracts; amending Minnesota Statutes 2024, sections 473.129, by adding a subdivision; 473.142; 473.1425.

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

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2298: A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; transferring money; requiring a

report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43.

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

Page 8, line 21, delete "in fiscal year 2026" and insert "the first year"

Page 21, line 21, delete the comma and after "housing" and insert "and"

Page 21, line 22, delete ", common interest communities, cooperatives, and small businesses"

Page 21, line 24, delete "and small businesses"

Page 22, line 13, after the comma, insert "other relevant state and local agencies,"

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

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

S.F. No. 509: A bill for an act relating to health; amending licensing requirements for graduates of foreign medical schools; authorizing the commissioner of health to remedy certain violations by employers of limited license holders; requiring employers of limited license holders to carry medical malpractice insurance; requiring limited license holders to provide periodic certification to the medical board; modifying application and license fees; amending Minnesota Statutes 2024, sections 144.99, subdivision 1; 147.01, subdivision 7; 147.037, by adding a subdivision.

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

Page 4, line 4, delete "has"

Page 4, line 18, delete "(d)" and insert "(e)"

Page 4, delete lines 19 to 21

Page 4, line 24, delete "which" and insert "that"

Page 5, line 7, after the first "physician" insert "for an additional four weeks"

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

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

H.F. No. 2184 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.
2184	472				

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 Frentz from the Committee on Energy, Utilities, Environment, and Climate, to which was referred

S.F. No. 2393: A bill for an act relating to commerce; establishing a biennial budget for commerce and energy; modifying provisions governing consumer small loans and lending; modifying the Minnesota premium security plan; requiring submission of a state innovation waiver; modifying provisions governing renewable energy, energy conservation, and energy efficiency; regulating retail electric vehicle supply equipment; modifying provisions governing certain cannabis licenses; imposing assessments and fees; appropriating money; authorizing administrative rulemaking; amending Minnesota Statutes 2024, sections 47.60, subdivisions 1, 3, 4, 5, 8, by adding a subdivision; 47.601, subdivisions 1, 5a, 7; 62E.21, by adding a subdivision; 62E.23, subdivisions 1, 2, 3; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1, by adding a subdivision; 80A.58; 80A.65, subdivision 2, by adding a subdivision; 116C.7792; 216C.09; 216C.10; 216C.11; 216C.12; 216C.391, subdivisions 1, 3; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 239.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

CLIMATE AND ENERGY FINANCE

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. If an appropriation in this article is enacted more than once in the 2025 regular or a special legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year	
	2026	2027

	Ending June 30 2026	2027

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**	**$**	**12,644,000**	**$** **12,644,000**

Appropriations by Fund

	2026	2027
General	11,047,000	11,047,000
Petroleum Tank	1,597,000	1,597,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Energy Resources**	11,047,000	11,047,000

(a) $150,000 the first year and $150,000 the second year are to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be performed in conjunction with federal weatherization assistance program services.

(b) $189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(c) $500,000 each year is for a grant to the clean energy resource teams under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3. This appropriation may be used to reimburse the reasonable costs incurred by the Department of Commerce to administer the grant.

(d) $301,000 each year is to implement energy benchmarking under Minnesota Statutes, section 216C.331.

(e) $164,000 each year is for activities associated with a public utility's

transportation electrification plan filing under Minnesota Statutes, section 216B.1615.

(f) $77,000 each year is for activities associated with appeals of consumer complaints to the commission under Minnesota Statutes, section 216B.172.

(g) $961,000 each year is for activities required under Minnesota Statutes, section 216B.1641, for community solar gardens. This appropriation must be assessed directly to the public utility subject to Minnesota Statutes, section 116C.779.

(h) $46,000 each year is for work to align energy transmission and distribution planning activities with opportunities along trunk highway rights-of-way.

(i) $265,000 each year is to (1) participate in a Public Utilities Commission proceeding to review electric transmission line owners' plans to deploy grid-enhancing technologies, and (2) issue an order to implement the plans. The base in fiscal year 2028 is $0.

The general fund base is $10,782,000 in fiscal year 2028 and $10,782,000 in fiscal year 2029.

Subd. 3. **Petroleum Tank Release Compensation Board**	1,597,000	1,597,000

This appropriation is from the petroleum tank fund.

Sec. 3. **PUBLIC UTILITIES COMMISSION**	**$**	**13,330,000**	**$**	**13,417,000**

The general fund base is $13,183,000 in fiscal year 2028 and later.

Sec. 4. **TRANSFERS.**

$1,199,000 in fiscal year 2026 and $1,199,000 in fiscal year 2027 are transferred from the general fund to the preweatherization account in the special revenue fund under Minnesota Statutes, section 216C.264, subdivision 1c. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $1,199,000 each year from the general fund to the preweatherization account in the special revenue fund when preparing each forecast from the

effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 5. **APPROPRIATION EXTENSION.**

The availability of the appropriation for the Tribal Advocacy Council on Energy in Laws 2023, chapter 60, article 10, section 2, subdivision 2, paragraph (i), is extended to June 30, 2026.

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

ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. If an appropriation in this article is enacted more than once in the 2025 regular or special legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$ 10,500,000**	**$ 100,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **"Made in Minnesota" Administration**		
$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unobligated amount remaining on June 30, 2027, cancels to the renewable development account.		

Subd. 3. **Microgrid Research and Application**

$1,200,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research, which must be used to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges. This is a onetime appropriation and is available until June 30, 2028.

Subd. 4. **Green Hydrogen Project**

$2,000,000 the first year is for a grant to the city of St. Cloud for the Green Hydrogen Project to incorporate a battery and renewable energy system. This is a onetime appropriation and is available until June 30, 2028.

Subd. 5. **Anaerobic Digester Energy System**

$4,000,000 the first year is for a grant to Ramsey/Washington Recycling and Energy, in partnership with Dem-Con HZI Bioenergy, LLC, to construct an anaerobic digester energy system in Louisville Township. For the purposes of this subdivision, "anaerobic digester energy system" means a facility that uses diverted food and organic waste to create renewable natural gas and biochar. This is a onetime appropriation and is available until June 30, 2028.

Subd. 6. **Como Zoo Geothermal Energy System**

$2,200,000 the first year is for a grant to Como Zoo in the city of St. Paul to construct a geothermal energy system that provides space heating and cooling to the large cats building. For the purposes of this subdivision, "geothermal energy system" means a system composed of a heat pump that moves a heat-transferring fluid through piping embedded in the earth and absorbs the earth's constant temperature, a heat exchanger, and ductwork to distribute heated and cooled air to a building. This is a onetime appropriation and is available until June 30, 2028.

Subd. 7. **Minnesota Energy Alley**

(a) $1,000,000 the first year for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative. The initiative is designed to promote energy innovation through supporting energy entrepreneurs and emerging businesses to commercialize energy solutions by matching promising innovators with established and trustworthy Minnesota-based public and private partners to demonstrate emerging technologies in real-world applications. The grant may be used to provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This is a onetime appropriation and is available until June 30, 2027.

(b) By January 15, 2027, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy finance and policy on the activities and accomplishments of the Minnesota Energy Alley initiative during the previous fiscal year and the disposition of this appropriation,

including a separate statement of the amount of administrative costs.

Subd. 8. **Grant Administration**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to $100,000 of the amount in this section for the administrative costs of the grants in this section.

Sec. 3. **DEPARTMENT OF ADMINISTRATION** **$ 92,000 $ 92,000**

$92,000 each year is for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87.

Sec. 4. **UNIVERSITY OF MINNESOTA** **$ 5,000,000 $ -0-**

$5,000,000 the first year is for research, development, outreach, and demonstration of energy systems that use hydrogen and ammonia production from renewable energy resources and other sources of clean energy as a means of storing and generating electricity. This is a onetime appropriation and is available until June 30, 2028.

Sec. 5. **POLLUTION CONTROL AGENCY** **$ 3,000,000 $ -0-**

$3,000,000 the first year is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase equipment to facilitate the disposal of wood that is infested by emerald ash borer. This is a onetime appropriation and is available until June 30, 2028. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of the Pollution Control Agency may use up to $25,000 of the amount in this section for the administrative costs of this grant.

Sec. 6. **TRANSFER.**

$2,000,000 in fiscal year 2026 is transferred from the renewable development account in the special revenue fund to the geothermal planning grant account under Minnesota Statutes, section 216C.47, subdivision 3.

Sec. 7. **APPROPRIATION EXTENSION.**

Notwithstanding Minnesota Statutes, section 16A.28, and Laws 2023, chapter 60, article 11, section 2, subdivision 3, paragraph (c), the availability of the fiscal year 2024 and fiscal year 2025 appropriations for grants to the University of St. Thomas Center for Microgrid Research in Laws 2023, chapter 60, article 11, section 2, subdivision 3, are extended to June 30, 2028.

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

ARTICLE 3

ENERGY POLICY

Section 1. Minnesota Statutes 2024, section 116D.04, subdivision 4a, is amended to read:

Subd. 4a. **Alternative review.** (a) The board shall by rule identify alternative forms of environmental review which will address the same issues and utilize similar procedures as an environmental impact statement in a more timely or more efficient manner to be utilized in lieu of an environmental impact statement.

(b) Upon adoption by the responsible governmental unit of the environmental document and plan for mitigation under an alternative urban areawide review process, and notwithstanding any additional environmental review that may otherwise be required for a phased action or connected action, or project component that was not evaluated in the alternative urban areawide review process, environmental review is complete and the prerequisites under subdivision 2b are satisfied with regards to the anticipated residential, commercial, warehousing, and light industrial development projects that are consistent with development assumptions within the established boundaries of the geographic area to which the alternative urban areawide review applies.

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

Sec. 2. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to read:

Subd. 11. **Emergency backup generator.** "Emergency backup generator" means a stationary compressed ignition or spark ignition engine described under Code of Federal Regulations, title 40, parts 60.4211(f) and 60.4243(d), respectively, that is installed with equipment that prevents the flow of electricity to the electric grid.

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

Sec. 3. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to read:

Subd. 12. **Data center.** "Data center" means a freestanding structure that primarily contains electronic equipment used to process, store, and transmit digital information.

Sec. 4. Minnesota Statutes 2024, section 216B.16, is amended by adding a subdivision to read:

Subd. 1b. **Definitions.** For the purposes of this section, "low-income" means a household:

(1) who is approved as qualified for energy assistance from the low-income home energy assistance program;

(2) whose household income is 50 percent or less of the state median income; or

(3) who meets another qualification established by the commission.

Sec. 5. Minnesota Statutes 2024, section 216B.16, subdivision 14, is amended to read:

Subd. 14. **Low-income electric rate discount.** A public utility shall fund an affordability program for low-income customers at a base annual funding level of $8,000,000. The annual funding level shall increase in the calendar years subsequent to each commission approval of a rate increase for the public utility's residential customers by the same percentage as the approved residential rate increase. Costs for the program shall be included in the utility's base rate. ~~For the purposes of this subdivision, "low-income" describes a customer who is receiving assistance from the federal low-income home energy assistance program.~~ The affordability program must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, lower utility service disconnections, and decrease costs associated with collection activities on their accounts. For low-income customers who are 62 years of age or older or disabled, the program must include a $15 discount in each billing period. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the costs of the program on a timely basis.

Sec. 6. Minnesota Statutes 2024, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. A public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission. ~~For purposes of this subdivision, "low-income residential ratepayers" means ratepayers who receive energy assistance from the low-income home energy assistance program (LIHEAP).~~

(b) Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills;

(2) increase participating customer payments over time by increasing the frequency of payments;

(3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

Sec. 7. Minnesota Statutes 2024, section 216B.164, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Aggregated meter" means a meter located on the premises of a customer's owned or leased property that is contiguous with property containing the customer's designated meter.

(c) "Capacity" means the number of megawatts alternating current ~~(AC) at the point of interconnection between a distributed generation facility and a utility's electric system~~ that a qualifying facility is capable of producing.

(d) "Cogeneration" means a combined process whereby electrical and useful thermal energy are produced simultaneously.

(e) "Contiguous property" means property owned or leased by the customer sharing a common border, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.

(f) "Customer" means the person who is named on the utility electric bill for the premises.

(g) "Designated meter" means a meter that is physically attached to the customer's facility that the customer-generator designates as the first meter to which net metered credits are to be applied as the primary meter for billing purposes when the customer is serviced by more than one meter.

(h) "Distributed generation" means a facility that:

(1) has a capacity of ten megawatts or less;

(2) is interconnected with a utility's distribution system, over which the commission has jurisdiction; and

(3) generates electricity from natural gas, renewable fuel, or a similarly clean fuel, and may include waste heat, cogeneration, or fuel cell technology.

(i) "High-efficiency distributed generation" means a distributed energy facility that has a minimum efficiency of 40 percent, as calculated under section 272.0211, subdivision 1.

(j) "Net metered facility" means an electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

(k) "Renewable energy" has the meaning given in section 216B.2411, subdivision 2.

(l) "Standby charge" means a charge imposed by an electric utility upon a distributed generation facility for the recovery of costs for the provision of standby services, as provided for in a utility's tariffs approved by the commission, necessary to make electricity service available to the distributed generation facility.

Sec. 8. Minnesota Statutes 2024, section 216B.164, subdivision 3, is amended to read:

Subd. 3. **Purchases; small facilities.** (a) This paragraph applies to cooperative electric associations and municipal utilities. For a qualifying facility having less than 40-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. A cooperative electric association or municipal utility may charge an additional fee to recover the fixed costs not already paid for by the customer through the customer's existing billing arrangement. Any additional charge by the utility must be reasonable and appropriate for that class of customer based on the most recent cost of service study. The cost of service study must be made available for review by a customer of the utility upon request. In the case of net input into the utility system by a qualifying facility having less than 40-kilowatt capacity, compensation to the customer shall be at a per kilowatt-hour rate determined under paragraph (c)~~, (d),~~ or (f).

(b) This paragraph applies to public utilities. For a qualifying facility having less than 1,000-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by a qualifying facility having: (1) more than 40-kilowatt but less than 1,000-kilowatt capacity, compensation to the customer shall be at a per kilowatt-hour rate determined under paragraph (c); or (2) less than 40-kilowatt capacity, compensation to the customer shall be at a per-kilowatt rate determined under paragraph (c) or (d).

(c) In setting rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in relation to the costs charged to other customers of the utility. The commission shall set the rates for net input into the utility system based on avoided costs as defined in the Code of Federal Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of Federal Regulations, title 18, section 292.304, and all other relevant factors.

(d) Notwithstanding any provision in this chapter to the contrary, a qualifying facility ~~having~~ that is interconnected to a public utility and has less than 40-kilowatt capacity may elect that the compensation for net input by the qualifying facility into the utility system ~~shall be~~ is at the average retail utility energy rate. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.

(e) If the qualifying facility or net metered facility is interconnected with a nongenerating utility which has a sole source contract with a municipal power agency or a generation and transmission utility, the nongenerating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities or net metered facilities having less than 1,000-kilowatt capacity if interconnected to a public utility, or less than 40-kilowatt capacity if interconnected to a cooperative electric association or municipal utility may, at the customer's option, elect to be governed by the provisions of subdivision 4.

(f) A customer with a qualifying facility or net metered facility having a capacity below 40 kilowatts that is interconnected to a cooperative electric association or a municipal utility may elect to be compensated for the customer's net input into the utility system in the form of a kilowatt-hour credit on the customer's energy bill carried forward and applied to subsequent energy bills. Any kilowatt-hour credits carried forward by the customer cancel at the end of the calendar year ~~with no additional compensation~~. A customer must be compensated for a canceled credit at the per kilowatt-hour rate determined under paragraph (c).

(g) This section applies only to qualifying facilities that have submitted interconnection applications after December 31, 2026. Qualifying facilities with interconnection applications submitted on or before that date are subject to Minnesota Statutes 2024, section 216B.164.

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

Sec. 9. Minnesota Statutes 2024, section 216B.164, subdivision 4a, is amended to read:

Subd. 4a. **Aggregation of meters.** (a) For the purpose of measuring electricity under subdivisions 3 and 3a, a public utility must aggregate for billing purposes a customer's designated meter with one or more aggregated meters if a customer requests that it do so. To qualify for aggregation under this subdivision, a meter must be owned by the customer requesting the aggregation, must be located on contiguous property owned by the customer requesting the aggregation, and the total of all aggregated meters must be subject to the size limitation in this section. A cooperative electric association or a municipal utility must aggregate for billing purposes one or more aggregated meters if a customer requests that it do so.

(b) A ~~public~~ utility must comply with a request by a customer-generator to aggregate additional meters within 90 days. The specific meters must be identified at the time of the request. In the event that more than one meter is identified, the customer must designate the rank order for the aggregated meters to which the net metered credits are to be applied. At least 60 days prior to the beginning of the next annual billing period, a customer may amend the rank order of the aggregated meters, subject to this subdivision.

(c) The aggregation of meters applies only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account shall be billed to the customer.

(d) A ~~public~~ utility will first apply the kilowatt-hour credit to the charges for the designated meter and then to the charges for the aggregated meters in the rank order specified by the customer. If the ~~net metered~~ facility supplies more electricity to the public utility than the energy usage recorded by the customer-generator's designated and aggregated meters during a monthly billing period, the public utility shall apply credits to the customer's next monthly bill for the excess kilowatt-hours.

(e) With the commission's prior approval, a ~~public~~ utility may charge the customer-generator requesting to aggregate meters a reasonable fee to cover the administrative costs incurred in implementing the costs of this subdivision, pursuant to a tariff approved by the commission for a ~~public~~ utility.

Sec. 10. Minnesota Statutes 2024, section 216B.1641, is amended by adding a subdivision to read:

Subd. 15. **Sunset.** This section expires July 31, 2028.

Sec. 11. Minnesota Statutes 2024, section 216B.1691, subdivision 1, is amended to read:

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

(b) "Carbon-free" means a technology that generates electricity without emitting carbon dioxide. Carbon-free includes a technology that, as of the effective date of this act and thereafter, is used by a utility to generate electricity for retail sale in Minnesota by combusting wood chips derived from:

(1) limbs, branches, and other by-products of timber harvesting operations conducted to obtain wood for nonenergy purposes; or

(2) discarded wood products.

(c) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

(1) solar;

(2) wind;

(3) hydroelectric ~~with a capacity of: (i) less than 100 megawatts; or (ii) 100 megawatts or more, provided that the facility is in operation as of February 8, 2023~~;

(4) hydrogen generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and, except as provided in subdivision 1a, an energy recovery facility used to capture

the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(d) "Electric utility" means: (1) a public utility providing electric service; (2) a generation and transmission cooperative electric association; (3) a municipal power agency; (4) a power district; or (5) a cooperative electric association or municipal utility providing electric service that is not a member of an entity in clauses (2) to (4).

(e) "Environmental justice area" means an area in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following criteria:

(1) 40 percent or more of the area's total population is nonwhite;

(2) 35 percent or more of households in the area have an income that is at or below 200 percent of the federal poverty level;

(3) 40 percent or more of the area's residents over the age of five have limited English proficiency; or

(4) the area is located within Indian country, as defined in United State Code, title 18, section 1151.

(f) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility.

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

Sec. 12. Minnesota Statutes 2024, section 216B.1691, subdivision 2g, is amended to read:

Subd. 2g. **Carbon-free standard.** (a) In addition to the requirements under subdivisions 2a and 2f, each electric utility must generate or procure sufficient electricity generated from a carbon-free energy technology to provide the electric utility's retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that the electric utility generates or procures an amount of electricity from carbon-free energy technologies that is equivalent to at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota by the end of the year indicated:

(1)	2030	80 percent for public utilities; 60 percent for other electric utilities
(2)	2035	90 percent for all electric utilities
(3)	2040	100 percent for all electric utilities.

(b) For purposes of this section, electricity generated from a carbon-free technology includes electricity generated by a peaking facility that uses only biodiesel fuel, as defined in section 239.77, subdivision 1, paragraph (b), for the first 400 hours each year in which the peaking facility uses only biodiesel fuel.

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

Sec. 13. Minnesota Statutes 2024, section 216B.2402, subdivision 16, is amended to read:

Subd. 16. **Low-income household.** "Low-income household" means a household whose household income:

(1) is 80 percent or less of the area median household income for the geographic area in which the low-income household is located, as calculated by ~~the United States Department of Housing and Urban Development~~ a body of the state or federal government; or

(2) meets the income eligibility standards, as determined by the commissioner, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the department.

Sec. 14. Minnesota Statutes 2024, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. **Large energy facility.** "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 50,000 kilowatts or more and transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;

(2) any high-voltage transmission line with a capacity of 300 kilovolts or more and greater than one mile in length in Minnesota;

(3) any high-voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota;

(4) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil, or their derivatives;

(5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(6) any facility designed for or capable of storing on a single site more than ~~100,000~~ 1,000,000 gallons of liquefied natural gas or synthetic gas;

(7) any underground gas storage facility requiring a permit pursuant to section 103I.681;

(8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(9) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 15. Minnesota Statutes 2024, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph

(A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, for which a site permit application is submitted by an independent power producer under chapter 216I;

(8) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase;

(9) energy storage systems, as defined in section 216I.02, subdivision 6;

(10) transmission lines that directly interconnect large wind energy conversion systems, solar energy generating systems, or energy storage systems to the transmission system; ~~or~~

(11) relocation of an existing high voltage transmission line to new right-of-way, provided that any new structures that are installed are not designed for and capable of operation at higher voltage~~.~~; or

(12) a combination of emergency backup generators at a single site with a combined capacity of 50,000 kilowatts or more that provides power to a data center and is eligible for permitting as a single stationary source under Minnesota Rules, part 7007.0200, 7007.0250, 7007.1100, or 7007.1110 to 7007.1141.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to applications under Minnesota Statutes, section 216B.243, that are pending before or submitted to the Public Utilities Commission on or after that date.

Sec. 16. Minnesota Statutes 2024, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation and efficiency measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and energy conservation ~~measures~~ and efficiency programming as required to meet the objectives of this chapter;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation and energy efficiency, and other goals and policies of this chapter, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for ~~the~~ energy conservation ~~of energy~~ and efficiency; ~~this~~ the program ~~shall~~ must include but is not ~~be~~ limited to~~,~~ general commercial, industrial, ~~and~~ residential, and transportation areas; ~~such~~ the program ~~shall~~ must also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which ~~persons~~ Minnesotans can transition to a clean energy future, conserve energy, and save money;

(10) dispense funds made available for the purpose of research studies and projects ~~of professional and civic orientation~~, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of ~~indigenous~~ energy resources. The program shall include~~,~~ but not be limited to~~,~~ providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of primary and emerging energy sources, including but not limited to solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial ~~aid~~ resources from money received from litigation or a settlement ~~of alleged violations of federal petroleum-pricing regulations~~ made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 17. Minnesota Statutes 2024, section 216C.10, is amended to read:

216C.10 COMMISSIONER POWERS.

(a) The commissioner may:

(1) adopt rules under chapter 14 as necessary to carry out the purposes of this chapter;

(2) make all contracts under this chapter and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended to administer this chapter;

(3) provide on-site technical assistance to units of local government in order to enhance local capabilities ~~for dealing with energy problems~~ to provide energy-related financial resources, planning, outreach, and engagement;

(4) administer for the state, energy programs under federal law, regulations, or guidelines, and coordinate the programs and activities with other state agencies, units of local government, and educational institutions;

(5) develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(6) perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(7) assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(8) manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner;

(9) intervene in certificate of need proceedings before the Public Utilities Commission;

(10) collect fees from recipients of loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations, which fees must be used to pay the department's costs in administering those financial aids; and

(11) collect fees from proposers and operators of conservation and other energy-related programs that are reviewed, evaluated, or approved by the department, other than proposers that are political subdivisions or community or nonprofit organizations, to cover the department's cost in making the reviewal, evaluation, or approval and in developing additional programs for others to operate.

(b) Notwithstanding any other law, the commissioner is designated the state agent to apply for, receive, and accept federal or other funds made available to the state for the purposes of this chapter.

Sec. 18. Minnesota Statutes 2024, section 216C.11, is amended to read:

216C.11 ENERGY CONSERVATION INFORMATION CENTER.

(a) The commissioner ~~shall~~ must establish an Energy Information Center in the ~~department's offices in St. Paul~~ department. The information center ~~shall~~ must maintain a ~~toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and alternative sources of energy~~ physical, virtual, and mobile information service that collects, analyzes, and disseminates energy resources, data, technical assistance and expertise, financial assistance, connections, and information on a variety of energy topics relevant to Minnesota consumers, businesses, Tribal and local governments, and community organizations. The information center must be accessible and responsive to public inquiries and must conduct proactive outreach.

~~The Energy Information Center shall serve as the official Minnesota Alcohol Fuels Information Center and shall disseminate information, printed, by the toll-free telephone information service, or otherwise on the applicability and technology of alcohol fuels.~~

~~The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The commissioner shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.~~

(b) The information center ~~shall~~ must use the information collected under section 216C.02, subdivision 1, to maintain a central source of information on energy conservation, energy efficiency, and other energy-related programs, including ~~both~~ programs required by law or rule and programs developed and carried on voluntarily.

Sec. 19. Minnesota Statutes 2024, section 216C.12, is amended to read:

216C.12 ENERGY ~~CONSERVATION PUBLICITY~~ LITERACY.

(a) The commissioner, in consultation with other affected agencies or departments ~~shall~~, must develop informational materials~~, pamphlets and radio and television messages~~ and messaging on energy conservation and ~~housing~~ energy efficiency programs available in Minnesota~~, renewable energy resources, and energy supply and demand. The printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Copies of printed materials shall be distributed to members of the appropriate standing committees of the legislature~~. The commissioner must use modern and current outreach strategies and media to distribute the informational materials and messaging to the widest possible audience.

(b) The informational materials must promote energy literacy for individuals and communities to help individuals and communities make informed decisions on topics ranging from smart energy use at home and consumer choices to national and international energy policy. The informational materials must include but are not limited to information on energy sources, energy generation, energy use, energy conservation strategies, the energy workforce sector, and state and federal energy-related programs administered by the department.

Sec. 20. Minnesota Statutes 2024, section 216C.391, subdivision 1, is amended to read:

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

(b) "Competitive funds" means federal funds awarded to selected applicants based on the grantor's evaluation of the strength of an application measured against all other applications.

(c) "Disadvantaged community" has the meaning given by the federal agency disbursing federal funds.

(d) "Eligible entity" means an entity located in Minnesota that is eligible to receive federal funds, tax credits, loans, or an entity that has at least one Minnesota-based partner, as determined by the grantor of the federal funds, tax credits, or loans.

(e) "Federal funds" means federal formula or competitive funds available for award to applicants for energy projects under the Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(f) "Formula funds" means federal funds awarded to all eligible applicants on a noncompetitive basis.

(g) "Loans" means federal loans from loan funds authorized or funded in the Inflation Reduction Act of 2022, Public Law 117-169.

(h) "Match" means the amount of ~~state~~ nonfederal money a successful grantee in Minnesota is required to contribute to a project as a condition of receiving federal funds.

(i) "Political subdivision" has the meaning given in section 331A.01, subdivision 3.

(j) "Project" means the activities proposed to be undertaken by an eligible entity awarded federal funds and are located in Minnesota or will directly benefit Minnesotans.

(k) "Tax credits" means federal tax credits authorized in the Inflation Reduction Act of 2022, Public Law 117-169.

(l) "Tribal government" has the meaning given in section 116J.64, subdivision 4.

Sec. 21. Minnesota Statutes 2024, section 216C.391, subdivision 3, is amended to read:

Subd. 3. **Grant awards; eligible entities; priorities.** (a) Grants may be awarded under this section to eligible entities in accordance with the following order of priorities:

(1) federal formula funds directed to the state that require a match;

(2) federal funds directed to a political subdivision or a Tribal government that require a match;

(3) federal funds directed to an institution of higher education, a consumer-owned utility, a business, or a nonprofit organization that require a match;

(4) federal funds directed to investor-owned utilities that require a match;

(5) federal funds directed to an eligible entity not included in clauses (1) to (4) that require a match; and

(6) all other grant opportunities directed to eligible entities that do not require a match but for which the commissioner determines that a grant made under this section is likely to enhance the likelihood of an applicant receiving federal funds, or to increase the potential amount of federal funds received.

(b) By November 15, 2023, the commissioner must develop and publicly post, and report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance, the federal energy grant funds that are eligible for state matching funds under this section.

(c) Notwithstanding section 16B.98, subdivision 5, paragraph (b), a grant made under this section may exceed five years.

Sec. 22. Minnesota Statutes 2024, section 216C.47, subdivision 1, is amended to read:

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

(b) "Eligible applicant" means a county, city, town, Tribal government, or the Metropolitan Council.

(c) "Geothermal energy system" means a system that heats and cools one or more buildings by using the constant temperature of the earth as both a heat source and heat sink, and a heat exchanger consisting of an underground closed loop system of piping containing a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

(1) a bored geothermal heat exchanger, as defined in section 103I.005;

(2) a groundwater thermal exchange device, as defined in section 103I.005; and

(3) a submerged closed loop heat exchanger, as defined in section 103I.005.

(d) "Tribal government" means the elected government of a federally recognized Indian Tribe located in Minnesota.

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

Sec. 23. Minnesota Statutes 2024, section 216I.02, is amended by adding a subdivision to read:

Subd. 5a. **Emergency backup generator.** "Emergency backup generator" has the meaning given in section 216B.02, subdivision 11.

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

Sec. 24. Minnesota Statutes 2024, section 216I.07, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures under this section apply to projects for which the applicant's proposal is:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) a combination of emergency backup generators designed to serve one person and located on property owned or controlled by the person;

~~(2)~~ (3) large electric power generating plants that are fueled by natural gas;

~~(3)~~ (4) high-voltage transmission lines with a capacity between 100 and 300 kilovolts;

~~(4)~~ (5) high-voltage transmission lines with a capacity in excess of 300 kilovolts and less than 30 miles in length in Minnesota;

~~(5)~~ (6) high-voltage transmission lines with a capacity in excess of 300 kilovolts, if at least 80 percent of the distance of the line in Minnesota, as proposed by the applicant, is located along existing high-voltage transmission line right-of-way;

~~(6)~~ (7) solar energy systems;

~~(7)~~ (8) energy storage systems; and

~~(8)~~ (9) large wind energy conversion systems.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2025, and applies to applications under Minnesota Statutes, section 216I.07, that are pending before or submitted to the Public Utilities Commission on or after that date.

Sec. 25. Minnesota Statutes 2024, section 216I.07, subdivision 3, is amended to read:

Subd. 3. **Environmental review.** (a) For the projects identified in subdivision 2 and following the procedures under this section, the applicant must prepare and submit an environmental assessment with the application. A draft of the environmental assessment must also be provided to commission staff as part of the preapplication review under section 216I.05, subdivision 6. The environmental assessment must (1) contain information regarding the proposed project's human and environmental impacts, and (2) address mitigating measures for identified impacts. The environmental assessment for projects identified in subdivision 2, clause (2), must also include a discussion of reasonable alternatives to the proposed project considering: (i) the appropriateness of the size and type of the proposed generation method compared to reasonable alternatives; (ii) the cost to the proposer of energy to be supplied by the project compared to the cost of energy that would be supplied by reasonable alternatives; (iii) the effects of the proposed project on the natural and socioeconomic environments compared to the effects of reasonable alternatives; and (iv) the expected reliability of the proposed facility compared to the expected reliability of reasonable alternatives. The environmental assessment is the only state environmental review document that must be prepared for the proposed project.

(b) If after the public meeting the commission identifies other sites or routes or potential impacts for review, the commission must prepare an addendum to the environmental assessment that evaluates (1) the human and environmental impacts of the alternative site or route, and (2) any additional mitigating measures related to the identified impacts consistent with the scoping decision made pursuant to section 216I.06, subdivision 10, clause (2). The public may provide comments on the environmental assessment and any addendum to the environmental assessment at the public hearing and comment period under subdivision 4. When making the commission's final decision, the commission must consider the environmental assessment, the environmental assessment addendum, if any, and the entirety of the record related to human and environmental impacts.

ARTICLE 4

SECURITIZATION

Section 1. **[216B.491] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms defined in this section have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means a bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with extraordinary event bonds that is designed to promote the credit quality and marketability of extraordinary event bonds or to mitigate the risk of an increase in interest rates.

Subd. 3. **Assignee.** "Assignee" means a person to which an interest in extraordinary event property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means a holder or owner of extraordinary event bonds.

Subd. 5. **Customer.** "Customer" means a person who purchases natural gas or natural gas transportation services from a utility in Minnesota. Customer does not include a person who:

(1) purchases natural gas transportation services from a utility in Minnesota that serves fewer than 350,000 natural gas customers in Minnesota; and

(2) does not purchase natural gas from a utility in Minnesota.

Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from unforeseen circumstances of sufficient magnitude, as determined by the commission:

(1) to impose significant costs on customers; and

(2) for which the issuance of extraordinary event bonds in response to the event meets the conditions of section 216B.492, subdivision 2.

(b) Extraordinary event includes but is not limited to a storm event or other natural disaster, an act of God, war, terrorism, sabotage, vandalism, a cybersecurity attack, or a temporary significant increase in the wholesale price of natural gas.

Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide natural gas service following one or more extraordinary events, including but not limited to activities related to mobilizing, staging, constructing, reconstructing, replacing, or repairing natural gas transmission, distribution, storage, or general facilities.

Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means debt securities, including but not limited to senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership, that: (1) have a scheduled maturity of no longer than 30 years and a final legal maturity date that is not later than 32 years from the issue date; (2) are rated AA, Aa2, or higher by a major independent credit rating agency at the time of issuance; and (3) are issued by a utility or an assignee under a financing order.

Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a nonbypassable charge that:

(1) a utility that is the subject of a financing order or the utility's successor or assignee imposes on all of the utility's customers;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue used only to repay, finance, or refinance extraordinary event costs.

Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

(1) means all incremental costs of extraordinary event activities that are approved by the commission in a financing order issued under section 216B.492 as being:

(i) necessary to enable the utility to restore or maintain natural gas service to customers after the utility experiences an extraordinary event; and

(ii) prudent and reasonable;

(2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary event activities;

(3) are net of applicable insurance proceeds, tax benefits, and any other amounts intended to reimburse the utility for extraordinary event activities, including government grants or aid of any kind;

(4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by a government agency or court under a federal or state environmental statute, rule, or regulation; and

(5) must be adjusted to reflect:

(i) the difference, as determined by the commission, between extraordinary event costs that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

(ii) a more fair or reasonable allocation of extraordinary event costs to customers over time, as expressed in a commission order, provided that after the issuance of extraordinary event bonds relating to the extraordinary event costs, the adjustment must not (A) reduce or impair the extraordinary event property relating to the extraordinary event bonds, or (B) reduce, impair, postpone, or terminate extraordinary event charges relating to the extraordinary event bonds until all principal, interest, and redemption premium, if any, payable on the extraordinary event bonds, all financing costs for the extraordinary event bonds, and all amounts that must be paid to an assignee or financing party under an ancillary agreement relating to the extraordinary event bonds are paid in full.

Subd. 11. **Extraordinary event property.** "Extraordinary event property" means:

(1) all rights and interests that a utility or the utility's successor or assignee possess under a financing order to impose, bill, collect, receive, and obtain periodic adjustments to extraordinary event charges authorized under a financing order issued by the commission; and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in clause (1), regardless of whether any are commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

Subd. 12. **Extraordinary event revenue.** "Extraordinary event revenue" means revenue, receipts, collections, payments, money, claims, or other proceeds arising from extraordinary event property.

Subd. 13. **Financing costs.** "Financing costs" means:

(1) principal, interest, and redemption premiums, if any, that are payable on extraordinary event bonds;

(2) payments required under an ancillary agreement and amounts required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to extraordinary event bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and servicing extraordinary event bonds, including but not limited to servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of extraordinary event bonds, other amounts payable in connection with extraordinary event bonds, or other extraordinary event charges payable in connection with extraordinary event bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an extraordinary event charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar charges, including but not limited to regulatory assessment fees, whether paid, payable, or accrued; and

(6) costs incurred by the commission to (i) hire and compensate additional temporary staff needed to perform the commission's responsibilities under this section, and (ii) engage specialized counsel and expert consultants experienced in securitized utility ratepayer-backed bond financings similar to extraordinary event bonds financings, as provided under section 216B.494.

Subd. 14. **Financing order.** "Financing order" means an order issued by the commission under section 216B.492 that authorizes an applicant to:

(1) issue extraordinary event bonds in one or more series;

(2) impose, charge, and collect extraordinary event charges; and

(3) create extraordinary event property.

Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other person acting for the benefit of extraordinary event bondholders.

Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines, including distribution lines, underground storage areas, liquefied natural gas facilities, propane storage tanks, and other facilities the commission determines are used and useful to provide natural gas service to retail and transportation customers in Minnesota.

Subd. 17. **Nonbypassable.** "Nonbypassable" means an extraordinary event charge that a retail customer located within a utility service area cannot avoid and must pay.

Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved by the commission, including but not limited to:

(1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed by an extraordinary event;

(2) costs to decommission and restore the site of a natural gas facility damaged or destroyed by an extraordinary event;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm, wildfire, flood, earthquake, or other significant weather or natural disaster that causes substantial damage to a utility's infrastructure.

Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas service to Minnesota customers. Utility includes the utility's successors or assignees.

Sec. 2. **[216B.492] FINANCING ORDER.**

Subdivision 1. **Application.** (a) A utility may file an application with the commission requesting a financing order to enable the utility to recover extraordinary event costs by issuing extraordinary event bonds under this section.

(b) The application must include the following information, as applicable:

(1) a description of each natural gas facility to be repaired or replaced;

(2) the undepreciated value remaining in each natural gas facility under clause (1) that the utility proposes to repair or replace using financing obtained by issuing extraordinary event bonds under sections 216B.491 to 216B.499, and the method used to calculate the undepreciated value remaining;

(3) the estimated costs imposed on customers resulting from an extraordinary event that involves no physical damage to natural gas facilities;

(4) the estimated savings or estimated mitigation of rate impacts to utility customers if the financing order is issued as requested in the application, calculated by comparing the costs to customers that are expected to result from implementing the financing order and the estimated costs associated with implementing traditional utility financing mechanisms with respect to the same undepreciated balance, expressed in net present value terms;

(5) a description of (i) the nonbypassable extraordinary event charge utility customers must pay in order to fully recover financing costs, and (ii) the method and assumptions used to calculate the nonbypassable extraordinary event charge;

(6) a proposed methodology to allocate the revenue requirement for the extraordinary event charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism that is implemented when necessary to correct any overcollection or undercollection of extraordinary event charges, in order to complete payment of scheduled principal and interest on extraordinary event bonds and other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits, developed by a securities firm that is experienced in the marketing of securitized utility ratepayer-backed bonds, indicating the proposed issuance satisfies: (i) the current published AA, Aa2, or higher rating; or (ii) equivalent rating criteria of at least one nationally recognized securities rating organization for issuances similar to the proposed extraordinary event bonds;

(9) an estimate of: (i) the timing of the extraordinary event bonds issuance; and (ii) the term of the extraordinary event bonds or series of bonds, provided that the scheduled final maturity for each bond issuance does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security, interest in extraordinary event property, including identification of an assignee and demonstration that the assignee is a financing entity that is wholly owned, directly or indirectly, by the utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario contained in the application;

(13) the extent of damage to the utility's natural gas facility caused by an extraordinary event and the estimated costs to repair or replace the damaged natural gas facility;

(14) a schedule of the proposed repairs to and replacement of the damaged natural gas facility;

(15) a description of the steps taken to provide customers interim natural gas service while the damaged natural gas facility is being repaired or replaced; and

(16) a description of the impacts on the utility's current workforce resulting from implementing a repair or replacement plan following an extraordinary event.

Subd. 2. **Findings.** After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the extraordinary event costs described in the application are reasonable;

(2) the proposed issuance of extraordinary event bonds and the imposition and collection of extraordinary event charges:

(i) are just and reasonable;

(ii) are consistent with the public interest;

(iii) constitute a prudent and reasonable mechanism to finance the extraordinary event costs; and

(iv) provide tangible and quantifiable benefits to customers, either by providing lower overall costs or mitigating rate impacts relative to traditional methods of financing, that exceed the benefits achieved absent the issuance of extraordinary event bonds; and

(3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

(i) lower overall costs to customers or mitigate rate impacts to customers relative to traditional methods of financing; and

(ii) achieve customer savings or mitigate rate impacts to customers, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. **Contents.** (a) A financing order issued under this section must:

(1) determine the maximum amount of extraordinary event costs that may be financed from proceeds of extraordinary event bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for extraordinary event charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through extraordinary event charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the extraordinary event bonds;

(4) describe the extraordinary event property that is created and that may be used to pay, and secure the payment of, principal and interest on the extraordinary event bonds and other financing costs authorized in the financing order;

(5) authorize the utility to finance extraordinary event costs by issuing one or more series of extraordinary event bonds. A utility is not required to secure a separate financing order for each extraordinary event bonds issuance or for each scheduled phase to replace natural gas facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the extraordinary event charges authorized by the financing order that are necessary to (i) correct for any overcollection or undercollection, or (ii) otherwise provide for the timely payment of extraordinary event bonds, other financing costs, and other required amounts and charges payable in connection with extraordinary event bonds;

(7) specify the degree of flexibility afforded to the utility to establish the terms and conditions of the extraordinary event bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the extraordinary event bonds must be issued, subject to market conditions and the financing order's terms, as soon as feasible following the financing order's issuance;

(9) require the utility, at the same time extraordinary event charges are initially collected and independent of the schedule to close and decommission any natural gas facility replaced as the result of an extraordinary event, if any, to remove the natural gas facility from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by extraordinary event bonds and the final actual pretax costs incurred by the utility to retire or replace the natural gas facility, if any;

(11) specify information regarding extraordinary event bonds issuance and repayments, financing costs, energy transaction charges, extraordinary event property, and related matters that the natural gas utility is required to provide to the commission on a schedule determined by the commission;

(12) allow or require the creation of a utility's extraordinary event property to be conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary event property to an assignee and the pledge of the extraordinary event property to secure the extraordinary event bonds;

(13) ensure that the structuring, marketing, and pricing of extraordinary event bonds result in reasonable extraordinary event charges and customer savings or rate impact mitigation, consistent with market conditions and the financing order's terms; and

(14) specify that a utility that finances the replacement of one or more natural gas facilities after the natural gas facilities that are subject to the finance order are removed from the utility's rate base is prohibited from:

(i) operating the natural gas facilities; or

(ii) selling the natural gas facilities to another entity to operate as natural gas facilities.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) select one or more underwriters for the extraordinary event bonds.

Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains effective until the extraordinary event bonds issued under the financing order and all financing costs related to the extraordinary event bonds have been paid in full.

(b) A financing order remains effective and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the utility to which the financing order applies or any affiliate, successor, or assignee of the utility to which the financing order applies.

(c) Subject to judicial review under section 216B.52, a financing order is irrevocable and is not reviewable by a future commission. The commission must not: (1) reduce, impair, postpone, or terminate extraordinary event charges approved in a financing order; (2) reduce or impair the extraordinary event property approved in a financing order or impair the collection or recovery of extraordinary event charges and extraordinary event revenue; or (3) change the customers required to pay extraordinary event charges.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of a utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary event bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and

(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the extraordinary event bonds being refinanced, retired, or refunded.

Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering extraordinary event bonds issued under this section to be debt of the utility other than for income tax purposes, unless considering the extraordinary event bonds to be debt is necessary to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the extraordinary event charges paid under the financing order to be revenue of the utility;

(3) considering the extraordinary event costs or financing costs specified in the financing order to be the regulated costs or assets of the utility; or

(4) determining that any prudent action taken by a utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify a billing mechanism designed to recover extraordinary event charges;

(2) prevents or precludes the commission from (i) investigating a utility's compliance with the financing order's terms and conditions, and (ii) requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against a utility for failure to comply with (i) the financing order's terms and conditions, or (ii) the requirements of this section.

(c) The commission is prohibited from refusing to allow a utility to recover any costs associated with the replacement of natural gas facilities solely because the utility has elected to finance the

natural gas facility replacement through a financing mechanism other than extraordinary event bonds.

Sec. 3. **[216B.493] POSTORDER COMMISSION DUTIES.**

Subdivision 1. **Financing costs review.** Within 120 days after the date extraordinary event bonds are issued, a utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the extraordinary event bonds, and the actual extraordinary event charge. The commission must review the prudence of the natural gas utility's actions to determine whether the actual financing costs were the lowest that could reasonably be achieved given the financing order's terms and market conditions prevailing at the time of the extraordinary event bond's issuance.

Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply remedies deemed appropriate for utility actions, provided that any remedy applied must not directly or indirectly: (1) reduce or impair the extraordinary event property approved in the financing order or impair the collection or recovery of extraordinary event charges and extraordinary event revenue; (2) reduce, impair, postpone, or terminate extraordinary event charges approved in the financing order until all principal, interest, and redemption premium, if any, payable on the extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full; or (3) change the customers required to pay extraordinary event charges.

Sec. 4. **[216B.494] USE OF OUTSIDE EXPERTS.**

(a) To carry out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs paid by the extraordinary event revenue. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) A utility presented with a written request from the commission to reimburse the commission's expenses incurred under paragraph (a), accompanied by a detailed account of the subject expenses, must provide the issuer of the extraordinary event bonds and the indenture trustee for the extraordinary event bonds with such documentation. The indenture trustee must remit full payment of the expenses to the commission on the next interest payment date of the extraordinary event bonds after the payment of interest and scheduled principal of the extraordinary event bonds in accordance with the payment waterfall included in the indenture governing the extraordinary event bonds.

(c) If a utility's application for a financing order is denied or withdrawn for any reason and extraordinary event bonds are not issued, the commission's costs to retain expert consultants under this section must be paid by the applicant utility and are deemed a prudent deferred expense eligible for recovery in the utility's future rates.

Sec. 5. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

(a) A utility that obtains a financing order and issues extraordinary event bonds must:

(1) include on each customer's monthly natural gas bill:

(i) a statement that a portion of the charges represents extraordinary event charges approved in a financing order;

(ii) the amount and rate of the extraordinary event charge as a separate line item titled "extraordinary event charge"; and

(iii) if extraordinary event property has been transferred to an assignee, a statement that the assignee is the owner of the rights to extraordinary event charges and that the utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation that identifies the impact financing the retirement or replacement of natural gas facilities has on customer rates, itemized by customer class; and

(ii) evidence demonstrating that extraordinary event revenues are applied solely to pay (A) principal and interest on extraordinary event bonds, and (B) other financing costs.

(b) Extraordinary event charges are nonbypassable and must be paid by all existing and future customers receiving service from the utility or the utility's successors or assignees under commission-approved rate schedules or special contracts.

(c) A utility's failure to comply with this section does not invalidate, impair, or affect any financing order, extraordinary event property, extraordinary event charge, or extraordinary event bonds, but does subject the utility to penalties under applicable commission rules provided that any penalty applied must not directly or indirectly: (1) reduce or impair the extraordinary event property approved in the financing order or impair the collection or recovery of extraordinary event charges and extraordinary event revenue; (2) reduce, impair, postpone, or terminate extraordinary event charges approved in the financing order until all principal, interest, and redemption premium, if any, payable on the extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full; or (3) change the customers required to pay extraordinary event charges.

Sec. 6. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

Subdivision 1. **General.** (a) Extraordinary event property is an existing present property right or interest in a property right, even though the imposition and collection of extraordinary event charges depend on the utility collecting extraordinary event charges and on future natural gas consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the extraordinary event property have been billed, have accrued, or have been collected.

(b) Extraordinary event property exists until all extraordinary event bonds issued under a financing order are paid in full and all financing costs and other extraordinary event bonds costs have been recovered in full.

(c) All or any portion of extraordinary event property described in a financing order issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the utility and created for the limited purpose of acquiring, owning, or administering extraordinary event property or issuing extraordinary event bonds authorized by the financing order. All or any portion of extraordinary event property may be pledged to secure extraordinary event bonds issued under a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by a utility or an affiliate of extraordinary event property is a transaction in the ordinary course of business.

(d) If a utility defaults on any required payment of charges arising from extraordinary event property described in a financing order, a court, upon petition by an interested party and without limiting any other remedies available to the petitioner, must order the sequestration and payment of the revenues arising from the extraordinary event property to the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary event property specified in a financing order issued to a utility, and in the revenue and collections arising from the property, is not subject to setoff, counterclaim, surcharge, or defense by the utility or any other person, or in connection with the reorganization, bankruptcy, or other insolvency of the utility or any other entity.

(f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other insolvency proceeding, merger or acquisition, sale, other business combination, transfer by operation of law, utility restructuring, or otherwise: (1) must perform and satisfy all obligations of, and has the same duties and rights under, a financing order as the utility to which the financing order applies; and (2) must perform the duties and exercise the rights in the same manner and to the same extent as the utility, including (i) collecting extraordinary event bonds revenues, collections, payments, or proceeds, and (ii) paying a person entitled to receive extraordinary event bonds revenues, collections, payments, or proceeds.

Subd. 2. **Security interests in extraordinary event property.** (a) The creation, perfection, and enforcement of any security interest in extraordinary event property to secure the repayment of the principal and interest on extraordinary event bonds, amounts payable under any ancillary agreement, and other financing costs are governed by this section only.

(b) A security interest in extraordinary event property is created, valid, and binding when:

(1) the financing order that describes the extraordinary event property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the extraordinary event bonds.

(c) Once a security interest in extraordinary event property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, in contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of extraordinary event property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the extraordinary event property.

(e) A security interest in extraordinary event property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, that may subsequently attach to the extraordinary event property unless the person that holds the security interest has agreed otherwise in writing.

(f) The priority of a security interest in extraordinary event property is not affected by the commingling of extraordinary event property or extraordinary event revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all extraordinary event property or extraordinary event revenue that is pledged to pay extraordinary event bonds even if the extraordinary event property or extraordinary event revenue is deposited in a cash or deposit account owned by the utility in which the extraordinary event revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the extraordinary event revenue.

(g) A subsequent commission order amending a financing order under section 216B.492, subdivision 4, or the application of an adjustment mechanism authorized by a financing order under section 216B.492, subdivision 3, does not affect the validity, perfection, or priority of a security interest in or transfer of extraordinary event property.

Subd. 3. **Sales of extraordinary event property.** (a) A sale, assignment, or transfer of extraordinary event property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the extraordinary event property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary event property may be created when:

(1) the financing order creating and describing the extraordinary event property is effective;

(2) the documents evidencing the transfer of the extraordinary event property are executed and delivered to the assignee; and

(3) value is received.

(b) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale, and the corresponding characterization of the property interest of the assignee, is not affected or impaired by:

(1) commingling extraordinary event revenue with other money;

(2) the seller retaining:

(i) a partial or residual interest, including an equity interest, in the extraordinary event property, whether (A) direct or indirect, or (B) subordinate or otherwise; or

(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of extraordinary event revenue;

(3) any recourse that the extraordinary event property purchaser may have against the seller;

(4) any indemnification rights, obligations, or repurchase rights made or provided by the extraordinary event property seller;

(5) the extraordinary event property seller's obligation to collect extraordinary event revenues on behalf of an assignee;

(6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or

(8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

Sec. 7. **[216B.497] EXTRAORDINARY EVENT BONDS.**

(a) A bank, trust company, savings and loan association, insurance company, executor, administrator, guardian, trustee, or other fiduciary may legally invest any money within the individual's or entity's control in extraordinary event bonds.

(b) Extraordinary event bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. An extraordinary event bonds holder does not possess the ability to compel taxes to be levied by the state or a political subdivision in order to pay the principal or interest on extraordinary event bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the extraordinary event bonds.

(c) The state pledges to and agrees with an extraordinary event bonds holder, assignee, and financing party that the state and state agencies, including the commission, are prohibited from:

(1) taking or permitting an action that reduces or impairs the extraordinary event property approved in the financing order or impairs the collection or recovery of extraordinary event charges or extraordinary event revenue;

(2) reducing, impairing, postponing, or terminating extraordinary event charges approved in the financing order that are imposed, collected, and remitted for the benefit of an extraordinary event bonds holder, assignee, and financing party until all principal, interest, and redemption premium, if any, payable on extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full; or

(3) changing the customers required to pay the extraordinary event charges.

(d) The commission may include a pledge in the financing order similar to the pledge included in paragraph (c).

(e) A person who issues extraordinary event bonds may include the pledge specified in paragraphs (c) and (d) in the extraordinary event bonds, ancillary agreements, and documentation related to the issuance and marketing of the extraordinary event bonds.

Sec. 8. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.**

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

Sec. 9. **[216B.499] EFFECT ON OTHER LAWS.**

(a) If a provision of sections 216B.491 to 216B.499 conflicts with other law regarding the attachment, assignment, perfection, effect of perfection, or priority of a security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this section precludes a utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding series of extraordinary event bonds.

Sec. 10. Minnesota Statutes 2024, section 216B.62, subdivision 3, is amended to read:

Subd. 3. **Assessing all public utilities.** The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to public utilities under sections 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2, 6, 7, ~~or~~ 8, or 9. The remainder shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been transmitted via mail, personal delivery, or electronic service to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed one-sixth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 11. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision to read:

Subd. 9. **Administrative costs for extraordinary event bonds.** The commission and the department may assess gas utilities for the actual commission and department costs of administering extraordinary event bonds under sections 216B.491 to 216B.499. The money received from the

assessment shall be deposited into an account in the special revenue fund and all funds deposited are appropriated to the commission or the department for the purposes of this subdivision. The commission and department may initially assess for estimated costs under sections 216B.491 to 216B.499, then must adjust subsequent assessments for actual costs incurred under sections 216B.491 to 216B.499. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

ARTICLE 5

RENEWABLE DEVELOPMENT ACCOUNT SUNSET

Section 1. Minnesota Statutes 2024, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

Subdivision 1. **Program operations.** (a) The utility subject to section ~~116C.779~~ 216B.1641 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) Through 2025, the program is funded by money ~~withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed~~ that the utility deposits in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) $10,000,000 in 2021;

(2) $10,000,000 in 2022;

(3) $5,000,000 in 2023;

(4) $11,250,000 in 2024; and

(5) $6,250,000 in 2025~~; and~~.

~~(6) $5,000,000 each year, beginning in 2026 through 2035.~~

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department.

All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

(f) ~~Funds~~ Money allocated to the solar energy production incentive program that ~~have~~ has not been committed to a specific project at the end of a program year ~~remain~~ remains available to the solar energy production incentive program, except that the utility's money that has not been obligated to a specific project by December 31, 2025, must be refunded to the utility's electric service customers in a manner and according to a schedule determined by the Public Utilities Commission.

~~(g) Any unspent amount remaining on January 1, 2028, must be transferred to the renewable development account.~~

~~(h)~~ (g) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

~~(i)~~ (h) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

(i) The utility must operate the program through December 31, 2025. Beginning on January 1, 2026, the commissioner of commerce must operate the program under this section in conformance with the orders issued by the Public Utilities Commission in Docket No. E002/M-13-1015, as applicable.

(j) A payment must not be made under this section to an owner of a solar energy system who did not receive a payment under this section before January 1, 2027.

Subd. 2. **Establishment of account.** (a) The solar energy production incentive account is established in the special revenue fund in the state treasury. Money received from the general fund must be transferred to the commissioner of commerce and credited to the account. The commissioner of commerce must manage the account.

(b) Money in the account may be expended only from January 1, 2026, to December 31, 2036. Any money remaining in the account on December 31, 2036, cancels to the general fund.

(c) The utility subject to this section must advise the commissioner of commerce, on a schedule determined by the commissioner of commerce, regarding:

(1) the total amount required to be withdrawn from the account to pay for solar energy production incentives; and

(2) the amount of payments to be made separately to each program participant due a payment under this section.

(d) Beginning in fiscal year 2027, an amount sufficient is annually appropriated from the general fund to the commissioner to make the payments under paragraph (c) for projects that first received payments under this section no later than December 31, 2026.

Subd. 3. **Expiration.** This section expires April 1, 2037.

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

Sec. 2. Minnesota Statutes 2024, section 116J.55, subdivision 5, is amended to read:

Subd. 5. **Grant awards; limitations.** ~~(a)~~ A grant awarded to an eligible community under this section must not exceed $1,000,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis.

~~(b) Grants funded with revenues from the renewable development account established in section 116C.779 must be awarded to an eligible community located within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located.~~

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

Sec. 3. Minnesota Statutes 2024, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives and standards set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies; or

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities~~; or~~.

~~(3) develop renewable energy sources from the account required in section 116C.779.~~

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

Sec. 4. Minnesota Statutes 2024, section 216C.377, subdivision 3, is amended to read:

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Money received from the general fund ~~and the renewable development account established in section 116C.779, subdivision 1,~~ must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and

any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

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

Sec. 5. Minnesota Statutes 2024, section 216C.417, is amended by adding a subdivision to read:

Subd. 1a. **Account established; account management; appropriation.** A "Made in Minnesota" solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account. Money remaining in the account at the end of a fiscal year cancels to the general fund. The commissioner of commerce must manage the account.

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

Sec. 6. Minnesota Statutes 2024, section 216C.417, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** ~~(a) Unspent money remaining in the account established under Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the renewable development account in the special revenue fund established under section 116C.779, subdivision 1.~~

~~(b)~~ (a) There is annually appropriated from the ~~renewable development account in the special revenue fund established in section 116C.779~~ general fund to the commissioner of commerce money sufficient to make the incentive payments required under Minnesota Statutes 2016, section 216C.415. Any ~~funds~~ money appropriated under this paragraph that ~~are~~ is unexpended at the end of a fiscal year ~~cancel~~ cancels to the ~~renewable development account~~ general fund.

~~(c)~~ (b) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of this appropriation may be used for administrative costs.

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

Sec. 7. **DISPOSITION OF REMAINING FUNDS.**

Any money remaining in the renewable development account established under Minnesota Statutes, section 116C.779, as of the effective date of this act must be remitted to the utility subject to Minnesota Statutes, section 216B.1641, subdivision 1, to refund the utility's electric service customers in a manner and according to a schedule determined by the Public Utilities Commission.

Sec. 8. **REVISOR INSTRUCTION.**

In each section of Minnesota Statutes referred to in column A, the revisor of statutes must delete the reference in column B and insert the reference in column C. The references in column C may be changed by the revisor of statutes to the section in Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
16B.87	116C.779	216B.1641, subdivision 1
116C.776	116C.779	116C.778
216B.1641	116C.779	216B.1691, paragraph (a), clause (1)
216C.375	116C.779	216B.1641, subdivision 1
216C.378	116C.779	216B.1641, subdivision 1
216C.379	116C.779	216B.1641, subdivision 1

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

Sec. 9. **REPEALER.**

Minnesota Statutes 2024, sections 116C.779, subdivisions 1 and 2; 116C.7791; and 216C.41, are repealed.

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

Delete the title and insert:

"A bill for an act relating to energy; establishing a budget for energy, transmission, petroleum, and renewable energy purposes; adding and modifying provisions governing geothermal energy, solar energy, and other energy policy; authorizing natural gas utilities to sell extraordinary event bonds under certain circumstances; sunsetting the renewable development account; establishing an account; appropriating money; amending Minnesota Statutes 2024, sections 116C.7792; 116D.04, subdivision 4a; 116J.55, subdivision 5; 216B.02, by adding subdivisions; 216B.16, subdivisions 14, 15, by adding a subdivision; 216B.164, subdivisions 2a, 3, 4a; 216B.1641, by adding a subdivision; 216B.1645, subdivision 1; 216B.1691, subdivisions 1, 2g; 216B.2402, subdivision 16; 216B.2421, subdivision 2; 216B.243, subdivision 8; 216B.62, subdivision 3, by adding a subdivision; 216C.09; 216C.10; 216C.11; 216C.12; 216C.377, subdivision 3; 216C.391, subdivisions 1, 3; 216C.417, subdivision 2, by adding a subdivision; 216C.47, subdivision 1; 216I.02, by adding a subdivision; 216I.07, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2024, sections 116C.779, subdivisions 1, 2; 116C.7791; 216C.41."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2298 and 509 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2184 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Johnson Stewart introduced--

S.F. No. 3371: A bill for an act relating to transportation; amending certain requirements governing electric vehicle surcharges, including to modify the surcharge on all-electric vehicles and impose a surcharge on plug-in hybrid electric vehicles; providing for account transfers; amending Minnesota Statutes 2024, sections 161.178, subdivision 8, by adding a subdivision; 168.013, subdivision 1m, by adding a subdivision.

Referred to the Committee on Transportation.

Senators Lieske, Lucero, Coleman, Wesenberg, and Housley introduced--

S.F. No. 3372: A bill for an act relating to public safety; increasing criminal penalties for swatting; amending Minnesota Statutes 2024, sections 244.05, subdivision 4; 609.78, subdivisions 2a, 2c.

Referred to the Committee on Judiciary and Public Safety.

Senators Johnson, Putnam, and Jasinski introduced--

S.F. No. 3373: A bill for an act relating to transportation; appropriating money to support medical supply delivery by small unmanned aircraft.

Referred to the Committee on Transportation.

Senator Farnsworth introduced--

S.F. No. 3374: A bill for an act relating to taxation; increasing annual expenditure limit to provide free musical entertainment for the general public; amending Minnesota Statutes 2024, section 449.08.

Referred to the Committee on Taxes.

Senators Wesenberg and Westrom introduced--

S.F. No. 3375: A bill for an act relating to government data practices; classifying farmed Cervidae premises location data as private; amending Minnesota Statutes 2024, section 13.643, subdivision 6.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Latz introduced--

S.F. No. 3376: A bill for an act relating to public safety; authorizing payment of preliminary monetary damages to certain exonerated individuals; establishing the exoneration compensation

account in the special revenue fund; appropriating money; amending Minnesota Statutes 2024, sections 590.11, subdivision 3; 611.365, subdivision 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 611.

Referred to the Committee on Judiciary and Public Safety.

Senator Latz introduced--

S.F. No. 3377: A bill for an act relating to government data practices; modifying data protection requirements in certain property tax proceedings; amending Minnesota Statutes 2024, sections 13.51, subdivisions 2, 4; 271.06, subdivision 6; 278.05, subdivisions 3, 6.

Referred to the Committee on Judiciary and Public Safety.

Senators Lucero and Wiklund introduced--

S.F. No. 3378: A bill for an act relating to education; establishing computer science grants; requiring rulemaking; appropriating money; amending Minnesota Statutes 2024, section 122A.187, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A.

Referred to the Committee on Education Policy.

Senators Lucero and Wiklund introduced--

S.F. No. 3379: A bill for an act relating to education; establishing computer science standards; amending Minnesota Statutes 2024, sections 120B.021, subdivisions 2, 3, by adding a subdivision; 120B.241, subdivision 2, by adding subdivisions.

Referred to the Committee on Education Policy.

Senator Hauschild introduced--

S.F. No. 3380: A bill for an act relating to economic development; appropriating money for payments to bioindustrial facilities.

Referred to the Committee on Jobs and Economic Development.

Senator Johnson introduced--

S.F. No. 3381: A bill for an act relating to capital investment; appropriating money for water tower improvements in the city of East Grand Forks; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Kreun and Hoffman introduced--

S.F. No. 3382: A bill for an act relating to transportation; establishing a supplemental anatomical gift education program; providing for certain credits on driver's license and Minnesota identification card fees; amending Minnesota Statutes 2024, sections 171.06, subdivision 2; 171.075.

Referred to the Committee on Transportation.

Senator Miller introduced--

S.F. No. 3383: A bill for an act relating to capital investment; appropriating money for certain utility infrastructure improvements in the city of Lanesboro; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Hawj moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 568. The motion prevailed.

Senator Mann moved that the name of Senator Boldon be added as a co-author to S.F. No. 1807. The motion prevailed.

Senator Mann moved that the name of Senator Boldon be added as a co-author to S.F. No. 2392. The motion prevailed.

Senator McEwen moved that the name of Senator Mitchell be added as a co-author to S.F. No. 2395. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Wesenberg be added as a co-author to S.F. No. 2523. The motion prevailed.

Senator Fateh moved that the name of Senator Boldon be added as a co-author to S.F. No. 2639. The motion prevailed.

Senator Latz moved that the name of Senator Mitchell be added as a co-author to S.F. No. 2648. The motion prevailed.

Senator Abeler moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 2901. The motion prevailed.

Senator Mann moved that the names of Senators Boldon and Abeler be added as co-authors to S.F. No. 2939. The motion prevailed.

Senator Abeler moved that the name of Senator Anderson be added as a co-author to S.F. No. 3239. The motion prevailed.

Senator Mann moved that the name of Senator Marty be added as a co-author to S.F. No. 3299. The motion prevailed.

Senator Mann moved that the name of Senator Boldon be added as a co-author to S.F. No. 3306. The motion prevailed.

Senator Pappas moved that the names of Senators Marty and Johnson Stewart be added as co-authors to S.F. No. 3327. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Mitchell be added as a co-author to S.F. No. 3329. The motion prevailed.

Senator Abeler moved that the name of Senator Pha be added as a co-author to S.F. No. 3330. The motion prevailed.

Senator Rarick moved that the name of Senator Kreun be added as a co-author to S.F. No. 3350. The motion prevailed.

Senator Port moved that S.F. No. 2973 be withdrawn from the Committee on Environment, Climate, and Legacy and re-referred to the Committee on Capital Investment. The motion prevailed.

Senator Port moved that S.F. No. 2974 be withdrawn from the Committee on Environment, Climate, and Legacy and re-referred to the Committee on Capital Investment. The motion prevailed.

Senator Howe introduced --

Senate Resolution No. 31: A Senate resolution congratulating Hunter Wenderski for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Murphy moved that H.F. No. 62 be taken from the table and given a second reading. The motion prevailed.

H.F. No. 62: A bill for an act relating to education; providing references to statutes governing student attendance; proposing coding for new law in Minnesota Statutes, chapter 120A.

H.F. No. 62 was read the second time.

Senator Murphy moved that H.F. No. 62 be laid on the table. The motion prevailed.

Senator Murphy moved that H.F. No. 1471 be taken from the table and given a second reading. The motion prevailed.

H.F. No. 1471: A bill for an act relating to local government; requiring a copy of the landlord-tenant guide at issuance or renewal of rental license; proposing coding for new law in Minnesota Statutes, chapter 471.

H.F. No. 1471 was read the second time.

Senator Murphy moved that H.F. No. 1471 be laid on the table. The motion prevailed.

Senator Murphy moved that H.F. No. 1659 be taken from the table and given a second reading. The motion prevailed.

H.F. No. 1659: A bill for an act relating to corrections; modifying cultural program for American Indian incarcerated individuals; clarifying reporting requirements related to community supervision; exempting federal law enforcement agents who transport persons from definition of protective agent; repealing obsolete civil commitment law regarding incarcerated individuals with mental illness;

amending Minnesota Statutes 2024, sections 241.80; 326.338, subdivision 4; 401.10, subdivision 4; 401.17, subdivisions 1, 5; repealing Minnesota Statutes 2024, sections 253.21; 253.23.

H.F. No. 1659 was read the second time.

Senator Murphy moved that H.F. No. 1659 be laid on the table. The motion prevailed.

Senator Murphy moved that H.F. No. 1662 be taken from the table and given a second reading. The motion prevailed.

H.F. No. 1662: A bill for an act relating to veterans; modifying human services data and veterans data provisions; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 197.065.

H.F. No. 1662 was read the second time.

Senator Murphy moved that H.F. No. 1662 be laid on the table. The motion prevailed.

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. 1355 and 124.

SPECIAL ORDER

H.F. No. 1355: A bill for an act relating to occupational safety; requiring holders of permits to harvest or destroy aquatic plants to safely use scuba diving equipment; establishing requirements for commercial diving operations; amending Minnesota Statutes 2024, section 103G.615, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 182.

Senator Boldon moved that the amendment made to H.F. No. 1355 by the Committee on Rules and Administration in the report adopted April 9, 2025, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Boldon moved to amend H.F. No. 1355 as follows (A-1):

Page 4, line 9, delete "spotter" and insert "standby diver"

The motion prevailed. So the amendment was adopted.

Senator Lieske moved to amend H.F. No. 1355 as follows (A-3):

Page 4, delete subdivision 3 and insert:

"Subd. 3. **Equipment requirements.** An employer must require the use of the following equipment when an individual subject to this section is scuba diving:

(1) a buoyancy-control device;

(2) a mask;

(3) a compressed gas cylinder and valve;

(4) a primary regulator;

(5) a breathing-gas monitoring device;

(6) a quick-release weight system and weights; and

(7) at least one audible emergency surface-signaling device.

Subd. 4. **Equipment requests.** An employer must provide the use of the following equipment when a diver requests it:

(1) an illuminated dive beacon;

(2) a depth-monitoring device;

(3) fins and snorkel;

(4) alternate air source;

(5) adequate exposure protection appropriate for local dive conditions; and

(6) a dive computer or recreational dive planner (RDP)."

Renumber the subdivisions in sequence and correct the internal references

Senator Lieske moved to amend the Lieske (A-3) amendment to H.F. No. 1355 as follows (A50):

Page 1, line 10, delete the second "and"

Page 1, line 11, delete the period and insert "; and"

Page 1, after line 11, insert:

"(8) an illuminated dive beacon."

Page 1, delete line 14

Renumber the clauses in sequence

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

The question recurred on the adoption of the Lieske (A-3) amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Latz moved to amend H.F. No. 1355 as follows (A-2):

Page 4, delete subdivision 8

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

H.F. No. 1355 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 54 and nays 10, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Johnson Stewart	Maye Quade	Putnam
Boldon	Farnsworth	Klein	McEwen	Rarick
Carlson	Fateh	Koran	Miller	Rasmusson
Champion	Frentz	Kreun	Mitchell	Seeberger
Clark	Gruenhagen	Kunesh	Mohamed	Weber
Coleman	Gustafson	Kupec	Murphy	Wesenberg
Cwodzinski	Hauschild	Lang	Nelson	Westlin
Dahms	Hawj	Lieske	Oumou Verbeten	Westrom
Dibble	Hoffman	Limmer	Pappas	Wiklund
Dornink	Housley	Mann	Pha	Xiong
Draheim	Jasinski	Marty	Port	

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Carlson.

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

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Latz	Mathews
Bahr	Green	Johnson	Lucero	Utke

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

SPECIAL ORDER

H.F. No. 124: A bill for an act relating to public safety; allowing for the acceptance of certain gifts related to a line of duty death of a public safety officer; authorizing local government expenditure for public safety officer killed in the line of duty; amending Minnesota Statutes 2024, section 471.198; proposing coding for new law in Minnesota Statutes, chapter 299A.

H.F. No. 124 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Coleman	Duckworth	Hawj	Kreun
Anderson	Cwodzinski	Farnsworth	Hoffman	Kunesh
Bahr	Dahms	Fateh	Howe	Kupec
Boldon	Dibble	Green	Jasinski	Lang
Carlson	Dornink	Gruenhagen	Johnson Stewart	Latz
Champion	Draheim	Gustafson	Klein	Lieske
Clark	Drazkowski	Hauschild	Koran	Limmer

Lucero	Miller	Pappas	Rasmusson	Westlin
Mann	Mitchell	Pha	Rest	Westrom
Marty	Mohamed	Port	Seeberger	Wiklund
Mathews	Murphy	Pratt	Utke	Xiong
Maye Quade	Nelson	Putnam	Weber	
McEwen	Oumou Verbeten	Rarick	Wesenberg	

Pursuant to Rule 40, Senator Oumou Verbeten cast the affirmative vote on behalf of the following Senator: Carlson.

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

So the bill passed and its title was agreed to.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2149. The motion prevailed.

Senator Rest from the Committee on Taxes, to which was re-referred

S.F. No. 2688: A bill for an act relating to motor vehicles; modifying the surcharge on all-electric vehicles; imposing surcharges on plug-in hybrid electric vehicles, electric motorcycles, and plug-in hybrid electric motorcycles; defining types of electric motorcycles; requiring surcharge rate adjustments; amending Minnesota Statutes 2024, sections 168.013, subdivision 1m, by adding subdivisions; 169.011, by adding subdivisions.

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

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

S.F. No. 1959: A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying accreditation and disclosure requirements for providers of veterans benefits services to veterans and veterans' families; modifying veterans services and benefits provisions; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol

grounds; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.608, subdivision 6; 197.6091; 197.75, subdivision 1; 197.791, subdivision 4.

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

Page 11, after line 29, insert:

"Sec. 6. **[197.448] VETERAN OF THE SECRET WAR IN LAOS.**

Subdivision 1. **Definition.** As used in this section, the term "veteran of the Secret War in Laos" means a person who resides in this state and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207, or received a Medal of Honor, Purple Heart, or other military award for service in support of the armed forces of the United States in Laos; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (1), is entitled to the benefits and privileges listed in paragraph (c) the day following the effective date of this act.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, clause (2), is entitled to the benefits and privileges listed in paragraph (c) after the commissioner verifies the person's veteran status. By March 30, 2026, the commissioner must:

(1) adopt criteria and a protocol to determine eligibility under subdivision 1, clause (2), based upon the recommendations of the Veterans of Secret Guerilla Units and Irregular Forces in Laos Advisory Task Force; and

(2) begin accepting applications for verification.

(c) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.55 (quarters for meetings of veterans organizations); section 197.56 (use of quarters); section 197.63 (vital records, certified copies); section 197.65 (renewal of professional license, motor vehicle registration, and driver's license); and section 197.987 (honor and remember flag).

Sec. 7. Minnesota Statutes 2024, section 197.603, subdivision 1, is amended to read:

Subdivision 1. **Veterans benefits and assistance.** (a) It shall be the duty of the county veterans service officer to aid all residents of the governmental subdivision by which the officer is employed in securing benefits provided by law on account of the service of any person in the armed forces of the United States, from which the person has a discharge other than dishonorable. The county veterans service officer shall aid all veterans who are residents of the governmental subdivision by which the officer is employed, regardless of the nature of discharge, in securing counseling or treatment concerning substance use disorder and substance abuse.

(b) Notwithstanding paragraph (a), if a veteran cannot secure an appointment to receive aid from a county veterans service officer in the governmental subdivision where the veteran resides, the veteran may request aid from any county veterans service officer in the state, and it shall be the duty of the county veterans service officer to aid the veteran regardless of whether the veteran resides in the governmental subdivision by which the officer is employed."

Page 19, after line 16, insert:

"Sec. 12. **ADVISORY TASK FORCE ESTABLISHED; VETERANS OF SECRET GUERILLA UNITS AND IRREGULAR FORCES IN LAOS.**

Subdivision 1. **Establishment; membership.** (a) The commissioner of veterans affairs shall establish a Veterans of Secret Guerilla Units and Irregular Forces in Laos Advisory Task Force.

(b) The advisory task force shall consist of the commissioner, or a designee, and the following additional nine members appointed by the commissioner, except as otherwise provided:

(1) a representative of the United States Department of Veterans Affairs, appointed by the United States Commissioner of Veterans Affairs;

(2) a representative of the Minnesota Commanders Task Force designated by the Commanders Task Force;

(3) a representative of the Disabled American Veterans of Minnesota;

(4) a United States armed forces veteran who served on active duty in Vietnam during the Vietnam War;

(5) a Hmong American Minnesota resident who served in the United States armed forces;

(6) two veterans of a secret guerilla unit or irregular forces in Laos;

(7) a historian knowledgeable about the secret guerilla units and irregular forces in Laos; and

(8) a representative of the Minnesota Military Museum who has knowledge of the Vietnam War designated by the museum's director.

Subd. 2. **Duties; report.** (a) The task force must establish criteria for determining which Minnesotans served in the secret guerrilla units or with irregular forces in Laos.

(b) By February 15, 2026, the task force must deliver a report to the commissioner that includes the findings, criteria, protocol, and recommendations required under paragraph (a).

Subd. 3. **Administration; terms of membership.** The commissioner shall convene the first meeting of the advisory task force by August 15, 2025, and provide staff support to the advisory task force. The provisions of Minnesota Statutes, section 15.059, subdivision 6, shall govern the terms and removal of members of the advisory task force. Members of the task force serve without compensation or per diem.

Subd. 4. **Expiration.** The task force expires on February 15, 2026."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force;"

Amend the title numbers accordingly

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

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

S.F. No. 2458: A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; modifying livestock marketing agency and dealer licensing provisions; modifying seed potato provisions; modifying food handler licensing provisions; modifying the cottage foods licensing exemption; transferring money; appropriating money; modifying and establishing fees; requiring reports; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1; 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1, 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18B.26, subdivision 8; 18C.111, by adding a subdivision; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 25.391, subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1; 28A.085, subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision; 35.155, subdivision 12; 41A.09, subdivision 2a; 41A.16, subdivision 7; 41A.30, subdivision 1; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 6; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 21; 32D; 343; repealing Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; 35.68; 35.830; 239.77, subdivision 5; Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315;

1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7.

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

Page 9, line 15, after "recipients" insert ". At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds"

Page 9, line 28, after "(8)" insert "Up to" and after "and" insert "up to"

Page 17, line 32, delete everything after the period

Page 17, delete lines 33 and 34

Page 18, line 5, delete everything after the period

Page 18, delete lines 6 and 7

Page 18, line 18, delete everything after the first period and insert "For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $100,000 each year from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103."

Page 18, delete line 24 and insert "For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $186,000 each year from the general fund to the Minnesota grown account established under Minnesota Statutes, section 17.102, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103."

Page 19, delete lines 29 and 30 and insert:

"For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $10,552,000 each year from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103."

Page 20, line 2, delete everything after the period and insert "For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $1,425,000 each year from the general fund to the agricultural and environmental revolving loan account under Minnesota Statutes, section 17.117, subdivision 5a, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103."

Page 20, delete line 3

Page 51, after line 23, insert:

"Sec. 10. Minnesota Statutes 2024, section 18B.37, subdivision 6, is amended to read:

Subd. 6. **Access to pesticide application information.** (a) A physician ~~licensed to practice in Minnesota~~, physician assistant, or nurse practitioner, or a Minnesota licensed veterinarian, may submit a request to the commissioner for access to available information on the application of pesticides by a commercial or noncommercial pesticide applicator related to a course of diagnosis, care, or treatment of a patient under the care of the physician or veterinarian. For purposes of this subdivision, the physician, physician assistant, or nurse practitioner making the request must be licensed to practice in Minnesota.

(b) A request for pesticide application information under this subdivision must include available details as to the specific location of a known or suspected application that occurred on one or more specified dates and times. The request must also include information on symptoms displayed by the patient that prompted the physician or veterinarian to suspect pesticide exposure. The request must indicate that any information discovered will become part of the confidential patient record and will not be released publicly.

(c) Upon receipt of a request under paragraph (a), the commissioner, in consultation with the commissioner of health, shall promptly review the information contained in the request and determine if release of information held by the department may be beneficial for the medical diagnosis, care, and treatment of the patient.

(d) The commissioner may release to the requester available information on the pesticide. The commissioner shall withhold nonessential information such as total acres treated, the specific amount of pesticides applied, and the identity of the applicator or property owner."

Page 64, line 6, after the period, insert "The changes to paragraph (c), clause (6), item (ii), are effective for reports due for credits issued for taxable years beginning after December 31, 2026."

Page 66, line 26, delete everything after the period

Page 66, delete line 27

Page 67, lines 7 and 8, reinstate the stricken language

Page 67, line 21, delete "(b)" and insert "(1)"

Page 67, line 22, delete the period and insert a semicolon

Page 67, line 23, delete "(c)" and insert "(2)" and delete the period and insert "; and"

Page 67, after line 23, insert:

"(3) a licensed location with no grain bin capacity must be charged a $350 examination fee."

Page 67, lines 24, 26, 29, and 31, reinstate the stricken language and delete the new language

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 1832: A bill for an act relating to state government; establishing a biennial budget for the Department of Employment and Economic Development and Explore Minnesota; making various policy changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 116J.431, subdivision 2; 116J.8733, subdivision 4; 116J.8752, subdivision 2; 116L.04, subdivisions 1, 1a; 116L.98, subdivision 2; 469.54, subdivision 4; Laws 2023, chapter 53, article 20, section 2, subdivision 2, as amended; article 21, section 7, as amended; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Laws 2024, chapter 120, article 1, section 13.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) 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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

(b) If an appropriation in this article is enacted more than once in the 2025 regular or special legislative session, the appropriation must be given effect only once.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioners of the agencies receiving grant appropriations in this article must not use any amount of the grant appropriations for administration costs unless otherwise appropriated or stated in Minnesota Statutes, section 116J.035, subdivision 7.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	2027

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation** **$ 159,277,000 $ 149,835,000**

Appropriations by Fund	2026	2027
General	113,113,000	108,433,000
Remediation	700,000	700,000
Workforce Development	45,464,000	40,702,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Business and Community Development** 54,254,000 49,104,000

Appropriations by Fund		
General	51,204,000	46,054,000
Remediation	700,000	700,000
Workforce Development	2,350,000	2,350,000

(a) $2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.435. This appropriation is available until June 30, 2029.

(b) $350,000 each year is for the administration of the Energy Transition Office under Minnesota Statutes, section 116J.5491.

(c) $500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(d) $2,725,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive

years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes.

(e) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(f) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(g) $139,000 each year is for the Center for Rural Policy and Development.

(h) $25,000 each year is for the administration of state aid for the Destination Medical Center Corporation under Minnesota Statutes, sections 469.40 to 469.47.

(i) $575,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548. The base for this appropriation is $375,000 in fiscal year 2028 and each year thereafter.

(j)(1) $1,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this paragraph must be used to implement projects to reduce the

child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(k) $500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) $450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) $50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(l) $1,000,000 each year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2029. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community

solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(m) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(n) $12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount,

the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(o) $2,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761.

(p) $12,000 each year is for a grant to the Upper Minnesota Film Office.

(q) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(r) $1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(s) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(t) $1,000,000 each year is for the CanNavigate program established under Minnesota Statutes, section 116J.6595. Of this amount, up to four percent may be used for administrative purposes. Any unencumbered balances remaining in the first year do not cancel but are available for the second year.

(u) $500,000 each year is for a grant to MNSBIR, Inc., for support of the small business research and development goals provided in Minnesota Statutes, section 3.222. This appropriation is onetime and is available until June 30, 2027.

The purpose of the grant is to support moving scientific excellence and technological innovation from the lab to the market for startups and small businesses by securing federal research and development funding to build a strong innovation economy and stimulate the creation of novel products, services, and solutions; strengthening the role of startups and small businesses in meeting federal research and development needs; increasing the commercial application of federally supported research results; and developing and increasing the Minnesota workforce, especially by fostering and encouraging participation by small businesses owned by people who are Black, Indigenous, People of Color, and women.

MNSBIR, Inc. shall use grant money to become the federal research and development dedicated resource for Minnesota small businesses to support research and commercialization of novel ideas, concepts, and projects to develop cutting-edge products and services for worldwide economic impact. Grant money shall be used to:

(1) assist startups and small businesses in securing federal research and development funding including the small business innovation research and small business technology transfer programs;

(2) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(3) collaborate with corporate venture groups and large businesses nationally;

(4) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(5) assist with scientific and technical writing;

(6) help manage federal grants and contracts; and

(7) support cost accounting and federal sole-source procurement opportunities.

(v) $4,523,000 the first year is for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2029. Of this amount:

(1) $905,000 the first year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota. Of this amount, $72,000 is for grants to businesses with less than $100,000 in revenue the prior year; and

(2) $3,618,000 the first year is for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) $905,000 the first year is for North Minneapolis' West Broadway, Camden, and other Northside neighborhoods. Of this amount, $72,000 is for grants to businesses with less than $100,000 in revenue in the prior year;

(ii) $905,000 the first year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, $72,000 is for grants to businesses with less than $100,000 in revenue in the prior year;

(iii) $904,000 the first year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, $72,000 is for grants to businesses with less

than $100,000 in revenue in the prior year; and

(iv) $904,000 the first year is for grants to businesses in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Minneapolis and St. Paul.

(w) $500,000 each year is for a grant to the Neighborhood Development Center (NDC) to support small business programs, including training, lending, business services, and real estate initiatives. Money may be used to assist organizations outside of the seven-county metropolitan area with technical assistance and grants to help implement elements of NDC's small business support model; provide one-on-one technical assistance for entrepreneurs; and support the operations and marketing of a cybersecurity center. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel and is available for use in the second year.

(x) $627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to $270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(y) $250,000 each year is for a grant to Enterprise Minnesota, Inc. to directly invest in Minnesota manufacturers under the Made in Minnesota program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(z) $250,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 250 or fewer full-time equivalent employees and for operations of Enterprise Minnesota. This is a onetime appropriation. No later than February 1, 2026, and February 1, 2027, Enterprise Minnesota, Inc. must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the amount of money awarded during the past 12 months;

(2) the estimated financial impact of the money awarded to each company receiving service under the program;

(3) the actual financial impact of the money awarded during the past 24 months; and

(4) the total amount of federal money leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(aa) $500,000 each year is for a grant to the Coalition of Asian American Leaders to support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs and Asian-owned businesses. This is a onetime appropriation and is available until June 30, 2027.

(bb) $500,000 each year from the workforce development fund is for a grant to the Asian Economic Development Association (AEDA), in cooperation with and in support of the coalition of Minnesota Asian Building Trades Entrepreneurs (MABTE) and related firms to grow their businesses through training, hiring, and capacity building. This is a onetime appropriation and is available until June 30, 2029.

(cc) $500,000 each year from the workforce development fund is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that may be used, at no cost to child care providers, for start-up, expansion, and operation of child care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to women entrepreneurs in agribusiness, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to leasehold improvements; additions, alterations, remodeling, or renovations to rented space; emergency grant funding for damage caused by natural disasters; inventory or supplies; machinery or equipment purchases; working capital; and debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for

WomenVenture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2028.

By December 15, 2028, WomenVenture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

Subd. 3. **Workforce Development Services** 47,560,000 42,498,000

	Appropriations by Fund	
General	12,371,000	12,071,000
Workforce Development	35,189,000	30,427,000

(a) $500,000 each year from the general fund and $500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) $750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(c) $2,546,000 each year from the general fund and $4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant

program. Of this amount, up to five percent is for administration and monitoring of the program.

(d) $500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(e) $1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(f) $1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(g) $750,000 each year from the general fund and $3,348,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(h) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(i) $4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(j) $1,275,000 each year is for the targeted populations workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program.

(k) $25,000 each year is for a grant to the University of Minnesota Tourism Center for ongoing system maintenance, management, and content updates of an online hospitality training program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The grant provided under this paragraph is not subject to Minnesota Statutes, section 116L.98.

(l) $150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(m) $750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(n) $2,000,000 each year is for the CanTrain program established under Minnesota Statutes, section 116L.90. Of this amount, up to four percent may be used for administrative purposes.

(o) $375,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for capacity

building, worker's center programming, youth workforce programming, career planning, GED attainment classes, educational resources and materials, health resources, training programs, and job navigation. This is a onetime appropriation.

(p) $450,000 each year is for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(q) $250,000 the first year from the workforce development fund is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual, online, and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2028. This is a onetime appropriation and is available until June 30, 2027.

(r) $300,000 the first year is for a grant to All Square of Minnesota. The grant must be used to support the operations of All Square's workforce development programs that operate in the cities of Minneapolis and St. Paul and correctional facilities in the surrounding area to assist Minnesotans who are incarcerated, formerly incarcerated, or directly impacted by the existence of a criminal record in overcoming employment barriers that prevent economic and emotional freedom. Grant proceeds may be used for any or all of the following All Square programs: (1) the Restaurant and Food Truck Fellowship program; (2) the Prison to Law

Pipeline program; or (3) the Legal Revolution Law Firm. This is a onetime appropriation.

(s) $500,000 each year is for a grant to Al Maa'uun, previously known as the North at Work program, for a strategic intervention program designed to target and connect program participants to meaningful and sustainable living-wage employment. This is a onetime appropriation.

(t) $400,000 each year from the workforce development fund is for a grant to Ujamaa Place to provide workforce development services targeted to the needs of African American men, including job training, employment preparation, internships, education, and vocational housing, as well as for organizational capacity building. This is a onetime appropriation.

(u) $400,000 each year from the workforce development fund is for a grant to Hired to support their workforce development programming and services. Grant proceeds may be used to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. Grant proceeds may also be used to create services for low-income Minnesotans designed to increase job retention and create a more stable workforce for employers by offering a continuum of employment coaching, navigation, and support services to economically disadvantaged employees. This is a onetime appropriation.

(v) $500,000 each year from the workforce development fund is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming. This is a onetime appropriation.

(w) $1,000,000 each year from the workforce development fund is for a grant to Goodwill Easter Seals Minnesota and its partners. The

grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community reentry following confinement. This is a onetime appropriation.

(x) $250,000 each year from the workforce development fund is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(y) $250,000 each year from the workforce development fund is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers in the food industry, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. The amount may also be used for training and development costs; certifications; hiring support for employers who hire workers with disabilities, a history of chemical or substance abuse, a previous criminal record, or other variables that cause a potential employee to have an increased cost to train or retain; and other activities aimed at strengthening the workforce pipeline in the food retail sector. This is a onetime appropriation.

(z) $250,000 each year from the workforce development fund is for grants to the Hospitality Minnesota Education Foundation for the ProStart hospitality and tourism management program, a statewide initiative in high schools to address the critical workforce shortages in hospitality. Grant money must be used by the recipient to

provide students culinary and management education curriculum, tools, skills, professional development opportunities within the hospitality industry, and scholarships. This is a onetime appropriation.

(aa) $700,000 each year from the workforce development fund is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Funds must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized financial capability, and employment supports. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. These are onetime appropriations.

(bb) $700,000 each year from the workforce development fund is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment. This appropriation is onetime and available until June 30, 2028.

(cc) $275,000 each year from the workforce development fund is for a grant to Workforce Development, Inc., of the Southeast Minnesota Workforce Development Area #8, to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, helping families build secure pathways out of poverty and addressing worker shortages in the Owatonna and Steele County area. Grant proceeds must support employer outreach services by providing solutions to workforce challenges and direct connections to workforce programming. Grant proceeds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive

services to help participants attend classes, including assistance with course fees, child care, incentive and training completion payments, transportation, and safe and stable housing. Up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

By January 15 each year, the commissioner of employment and economic development must report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and workforce development regarding the uses of this grant, including any amounts used for administration of the grant. The report must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195. As a condition of receiving the grant, Workforce Development, Inc., of the Southeast Minnesota Workforce Development Area #8, must agree to provide the commissioner any information needed to complete the report.

(dd) $500,000 each year from the workforce development fund is for a grant to Project for Pride in Living for job training and workforce development services focusing on individuals who are unemployed or underemployed. This is a onetime appropriation.

(ee) $125,000 each year from the workforce development fund is for a grant to Pillsbury United Communities to provide job training and workforce development services for individuals who are unemployed or underemployed. This is a onetime appropriation.

(ff) $550,000 each year from the workforce development fund is for a grant to the International Institute of Minnesota. Grant

funds must be used for workforce training for New Americans in industries in need of a trained workforce. This is a onetime appropriation.

(gg) $200,000 each year from the workforce development fund is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(hh) $250,000 each year from the workforce development fund is for a grant to Emerge Community Development to support and reinforce critical workforce at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(ii) $500,000 each year from the workforce development fund is for a grant to Workforce Development, Inc., for their Bridges to Healthcare program to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Grant proceeds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant proceeds may be used for Workforce Development, Inc.'s (Bridges to Healthcare) administrative costs. This is a onetime appropriation.

(jj) $1,000,000 each year from the workforce development fund is for a grant to Propel Nonprofits. Grant proceeds may be used for purposes including but not limited to capacity building, technical assistance and training, and strategic consulting to community-based organizations. Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(kk) $750,000 each year from the workforce development fund is for a grant to Summit Academy OIC to expand student enrollment, employment placement, and program access in the Twin Cities and throughout Minnesota; to expand GED preparation and administration and STEM programming; and to start and enroll students in a dental assistant program and work with employers to place students upon successful completion of the program. This is a onetime appropriation.

(ll) $300,000 each year from the workforce development fund is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants. This is a onetime appropriation.

(mm) $125,000 each year from the workforce development fund is for a grant to 30,000 Feet, a nonprofit organization, to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer learning loss prevention efforts targeted at

African American youth. This is a onetime appropriation.

(nn) $300,000 each year from the workforce development fund is for a grant to the Hmong American Partnership for job training, employment services, technology, business development, lending and financial services, capacity building, wealth management, and empowerment services. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(oo) $500,000 each year from the workforce development fund is for a grant to Bolder Options Youth Mentoring Program to provide disadvantaged youth ages 12 through 22 with intensive one-to-one wellness, goal setting, and academic-focused mentorship; programming that teaches life and job-seeking skills; career and college achievement coaches; and connections to employment, job training, and education opportunities. The grant must serve youth in the Bolder Options program in the Twin Cities and Rochester. This is a onetime appropriation.

(pp) $1,000,000 the first year from the workforce development fund is for a grant to Change Starts With Community for a violence prevention jobs program. Grant money must be used to establish and deliver a comprehensive workforce development initiative, specifically tailored for youth and adults who are Black, Indigenous, and People of Color and at-risk, located on site at Shiloh Cares Food Shelf - Northside Community Safety Resource Center in the city of Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

(qq) $100,000 each year from the workforce development fund is for a grant to InspireMSP to develop and execute programming to assist middle and high school aged children in Minneapolis and St.

Paul to develop an interest in and connect with the creative industry in Minnesota. Money must be used for program development and career exploration in the creative industry for historically excluded youth by providing access to essential resources, networks, and hands-on experience. This is a onetime appropriation.

(rr) $125,000 each year from the workforce development fund is for a grant to Jobs Foundation to support the Repowered workforce readiness program. Money may be used for direct training, support services, safety enhancements, and economic support for formerly incarcerated individuals experiencing barriers to employment. This is a onetime appropriation.

(ss) $500,000 each year from the workforce development fund is for a grant to the city of Brooklyn Park for the city to expand the workforce development programming of Brooklyn Park and Brooklyn Center through workforce development programs serving primarily underrepresented populations, including such programs as Brooklynk, Career Pathways, Youth Entrepreneurship, and Community Partnership. This is a onetime appropriation and is available until June 30, 2028.

(tt) $170,000 the first year from the workforce development fund is for a grant to Equitable Development Action to enhance the training and support provided to direct support professionals (DSPs) who work with residents 24 hours per day, seven days per week, provide DSPs with the necessary skills and resources to meet the evolving needs of the residents, and ensure compliance with the latest regulations. This is a onetime appropriation and is available until June 30, 2027. Equitable Development Action must use the money appropriated to:

(1) implement a training program for DSPs with a focus on best practices, safety

protocols, emergency response, and effective communication skills and offer specialized training modules to address specific needs of residents, including residents with disabilities, mental health issues, and chronic illnesses;

(2) provide ongoing support and development by establishing a support network for DSPs, including access to mental health resources, peer support groups, and professional counseling services;

(3) create opportunities for continuing education and professional development to ensure DSPs stay updated with the latest industry standards and practices; and

(4) reduce the cost burden to the state by training DSPs to de-escalate issues with residents resulting in fewer 911 calls and emergency interventions. The expected program outcomes include improved safety and quality of care for residents; increased career stability and job satisfaction for DSPs; enhanced compliance with state and federal regulations; reduced turnover rates and recruitment challenges in the DSP industry; and enhanced delivery services by minority service providers.

(uu) $200,000 each year from the workforce development fund is for a grant to YMCA of the North to provide career exploration, job training, a workforce development partnership with the Beacons program at Minneapolis Community and Technical College, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(vv) $200,000 each year from the workforce development fund is for a grant to Urban League Twin Cities for support and expansion of its workforce solutions and wealth building programs. This is a onetime appropriation.

(ww) $250,000 each year from the workforce development fund is for a grant to Abijah's on the Backside to provide equine-experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. The grant provided under this paragraph is not subject to Minnesota Statutes, section 116L.98. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

For purposes of this paragraph, a "first responder" is an active or retired:

(1) peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c);

(2) full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5;

(3) volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7;

(4) ambulance service personnel as defined in Minnesota Statutes, section 144E.001, subdivision 3a;

(5) 911 telecommunicator as defined in Minnesota Statutes, section 403.02, subdivision 17c; or

(6) correctional officer as defined in Minnesota Statutes, section 241.026, subdivision 1, paragraph (b).

Abijah's on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine-experiential mental health therapy provided to first responders under this paragraph. The report

must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2026, and a final report is due by January 15, 2028.

(xx) $500,000 each year from the workforce development fund is for a grant to the Latino Economic Development Center (LEDC). Grant proceeds may be used to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses as well as capacity building and general operations. Proceeds may also be used to assist prospective entrepreneurs in the start-up process by introducing prospective entrepreneurs to key business concepts, including business start-up readiness and innovating career pathways into trades, green lending, technology, coding, STEM careers, translation services, and manufacturing. This is a onetime appropriation.

(yy) $250,000 the first year from the workforce development fund is for a grant to Northside Boxing Club to provide business and life skills to youth through mentorships and training in the craft of barbering. Northside Boxing shall select barbers to act as positive role models for youth, instilling Northside Boxing's core values of discipline, respect, and hard work. Programming for youth participants shall include development of essential and transferable skills such as customer service, communication, money management, and professionalism. Northside Boxing may use funds to provide wraparound services, including but not limited to meals, nutrition education, homework help, and tutoring to help participants start and stay in the program. This is a onetime appropriation and is available until June 30, 2027.

(zz) $500,000 each year from the workforce development fund is for a grant to the Black Women's Wealth Alliance to provide individuals with job skills training, career counseling, and career placement assistance. This is a onetime appropriation.

(aaa) $42,000 the first year from the workforce development fund is for a grant to Aspirus Lake View Hospital, a nonprofit organization, to provide workforce training to create a minimum of 12 new certified nursing assistants for local employers. Grant money may be used for training and curriculum costs, certification testing, and a retention bonus for trainees. This is a onetime appropriation and is available until June 30, 2027.

(bbb) $125,000 each year from the workforce development fund is for a grant to West Broadway Business and Area Coalition to support their Youth Jobs program to provide soft skills, marketing, and advertising training for youth in North Minneapolis. This is a onetime appropriation.

(ccc) $750,000 each year from the workforce development fund is for a grant to the Sanneh Foundation, a nonprofit organization, to fund out-of-school and summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This appropriation is onetime and available until June 30, 2029.

(ddd) $750,000 each year from the workforce development fund is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience,

including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(eee) $750,000 each year from the workforce development fund is for a grant to Mind the G.A.P.P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(fff) $500,000 each year from the workforce development fund is for a grant to Minnesota Independence College and Community (MICC) to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(ggg) $250,000 each year from the workforce development fund is for a grant to the city of St. Paul to expand the city's Right Track youth internship program. The Right Track program connects young people from cost-burdened households to internships that develop work readiness skills and provides opportunities for mentorship and exploring career pathways. This is a onetime appropriation.

(hhh) $3,000,000 the first year from the workforce development fund is for competitive grants to support high school robotics teams and prepare youth for careers in STEM fields. Of this amount, $2,000,000 is for creating internships for high school

students to work at private companies in STEM fields, including the payment of student stipends. This is a onetime appropriation and is available until June 30, 2029.

(iii) $350,000 each year from the workforce development fund is for a grant to the Minnesota Association of Black Lawyers to be used for a program supporting Black undergraduate students pursuing admission to law school. This is a onetime appropriation.

The program must:

(1) enroll Black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full-time;

(2) support each of the program's students with an academic scholarship in the amount of $4,000 per academic year;

(3) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(4) provide the program's students free test preparation materials, academic support, and registration for the Law School Admission Test (LSAT) examination.

The Minnesota Association of Black Lawyers may use grant money under this paragraph for costs related to student scholarships; academic events and programming, including food and transportation costs for students; LSAT preparation materials, courses, and registrations; and hiring staff for the program.

By January 30, 2026, and again by January 30, 2027, the Minnesota Association of Black Lawyers must submit a report to the commissioner of employment and economic development and to the chairs and ranking minority members of the legislative

committees with jurisdiction over workforce development and policy. The report must include an accurate and detailed account of the program, the program's outcomes, and the program's revenues and expenses, including the use of all state money appropriated in this paragraph.

(jjj) $100,000 each year from the workforce development fund is for a grant to OneCommunity Alliance to assist individuals seeking careers with local businesses in Central Minnesota within the manufacturing, food production, agriculture, and health care sectors. OneCommunity Alliance, through the nonprofit's employment and economy action committee, must launch a program in 2025 to equip job seekers in central Minnesota with the knowledge and skills they need to successfully secure employment. OneCommunity Alliance shall provide the following services with the money appropriated: workforce training, career readiness training, job placement assistance, and ongoing support. OneCommunity Alliance must focus program participation on primarily unemployed and underemployed people, recent graduates struggling to find work, and those looking to transition into new career fields. This is a onetime appropriation.

(kkk) $150,000 each year from the workforce development fund is for grants to Ambassadors of Culture, Hooyo Hour, and United Way of Central Minnesota to work collaboratively in providing workforce development services for diverse communities, particularly young adults, mothers from immigrant backgrounds, and youth from East African communities. The services must focus on enhancing skills, education, and employment opportunities through job training, job coaching, employer engagement, and career coaching. This is a onetime appropriation. Of this amount:

(1) $50,000 each year is for a grant to Ambassadors of Culture;

(2) $50,000 each year is for a grant to Hooyo Hour; and

(3) $50,000 each year is for a grant to United Way of Central Minnesota.

(lll) $300,000 each year from the workforce development fund is for a grant to the Rural Cancer Institute for a pilot program to expand the clinical workforce specific to oncology care in rural districts. This program must increase the number of cancer care clinicians in rural districts and provide health care students with skills critical to the challenges of providing cancer care in a rural setting using a community-based model. The community-based model must grow the oncology clinical workforce in rural districts and directly address the cancer care workforce shortage in rural districts. This is a onetime appropriation.

(mmm) $50,000 the first year from the workforce development fund is for a grant to the Somali American Youth Enrichment Club (SAYEC) to support the youth sports program and parent education program. Money may be used for direct training, support services, and economic support for individuals experiencing barriers to employment. This is a onetime appropriation.

(nnn) $200,000 each year from the workforce development fund is for a grant to MAD DADS of Minneapolis to implement a youth workforce development program for youth ages 16 to 24 with a focus on underserved communities. This earn-to-learn initiative must provide career exploration opportunities, hands-on job training, mentorships, and certification pathways in high-demand industries. The program must include training in fields including but not limited to HVAC, energy efficiency, and

solar panel installation. This is a onetime appropriation.

(ooo) $250,000 the first year from the workforce development fund is for the test preparation pilot program under Minnesota Statutes, section 116J.9927.

Subd. 4. **General Support Services**			6,605,000	7,375,000
	Appropriations by Fund			
General Fund	6,510,000	7,280,000		
Workforce Development	95,000	95,000		

$1,269,000 each year from the general fund is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

Subd. 5. **Minnesota Trade Office**			2,242,000	2,242,000

(a) $300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.

(b) $180,000 each year is for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9781.

(c) $270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

Subd. 6. **Vocational Rehabilitation**			40,191,000	40,191,000
	Appropriations by Fund			
General	32,361,000	32,361,000		
Workforce Development	7,830,000	7,830,000		

(a) $15,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) $11,495,000 each year from the general fund and $6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from

the general fund, $4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) $2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

(d) $3,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) $1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

Subd. 7. **Services for the Blind** 8,425,000 8,425,000

Of this amount, $500,000 each year is for senior citizens who are becoming blind. At least one-half of the funds for this purpose must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

Sec. 3. **EXPLORE MINNESOTA** **$** **24,481,000** **$** **18,108,000**

(a) $500,000 each year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each $1 of state incentive must be matched with $6 of private sector money. "Matched" means revenue to the state or documented in-kind, soft match, or cash expenditures directly expended to support Explore Minnesota under Minnesota Statutes, section 116U.05.

The incentive in fiscal year 2026 is based on fiscal year 2025 private sector contributions. The incentive in fiscal year 2027 is based on fiscal year 2026 private sector contribution. This incentive is ongoing.

(b) $825,000 each year is for Explore Minnesota Film under Minnesota Statutes, section 116U.255.

(c) $1,500,000 the first year is for a grant to the 2026 Special Olympics USA Games. This is a onetime appropriation.

(d) $5,000,000 the first year is for a grant to Minnesota Sports and Events for costs related to the World Junior Hockey Championships, which will occur in Minnesota in December of 2025 and January of 2026. This appropriation is available until June 30, 2027.

Sec. 4. **GRANTEE EVALUATIONS; REPORT TO LEGISLATURE.**

(a) This section applies to any grant funded under this act where the recipient of the grant is individually specified in this act. The commissioner of employment and economic development must ensure compliance with the requirements of this section, and all applicable requirements under existing law, including applicable grants management policies and procedures established by the Office of Grants Management.

(b) In addition to meeting any reporting requirements included in the grant agreement, each grant recipient subject to this section must provide the following information to the commissioner of employment and economic development:

(1) a summary of the purpose of the grant;

(2) the amount of the grant awarded to the grantee;

(3) the amount of previous grants issued by the commissioner of employment and economic development to the grantee;

(4) the amount of other state and federal grants awarded to the grantee in the most recent fiscal year;

(5) the number of Minnesotans served by the organization and, if applicable, completing the organization's job training program;

(6) the number of Minnesotans successfully placed in a living wage job by the organization;

(7) the placement effectiveness, calculated by dividing the number of Minnesotans calculated in clause (6) by the number in clause (5);

(8) the cost effectiveness, calculated by dividing the sum of clauses (2) and (4) by the number of Minnesotans calculated in clause (6); and

(9) the organization's charitable giving ratio.

(c) As a condition of receiving a grant from the Department of Employment and Economic Development, a grantee must agree to provide the commissioner any information necessary to complete the report required by this section.

(d) If a grantee uses grant money to provide services to persons who reside outside of Minnesota, the grantee must list the states where non-Minnesotan participants reside and an explanation of why grant money was used to provide services to non-Minnesota residents.

(e) The commissioner is not required to provide information in response to paragraph (b), clauses (5) to (8), for a grantee that does not offer programming that requires completion or that cannot be measured by objective standards.

(f) Beginning January 15, 2026, the commissioner of employment and economic development must submit a report containing the information provided by grant recipients as required in paragraph (b) to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development. The report submitted under this section must also include an analysis of the grant recipients' success in meeting the purpose and any goals or measurable outcomes specified for the grant. An updated version of this report must be submitted on January 15 of each succeeding year until January 15 in the year following the date when all of the grant funds have been spent.

Sec. 5. **CARRYFORWARD; EXTENSIONS.**

Notwithstanding any other law to the contrary, the availability of the appropriations for the following projects is extended to June 30, 2029:

(1) Laws 2023, chapter 53, article 20, section 2, subdivision 3, paragraph (nn);

(2) Laws 2023, chapter 53, article 20, section 2, subdivision 3, paragraph (ccc); and

(3) Laws 2023, chapter 53, article 20, section 2, subdivision 3, paragraph (yyy).

Sec. 6. **TRANSFERS.**

(a) $1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are transferred from the general fund to the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, section 116M.18. The commissioner of employment and economic development may use up to four percent of this transfer for administration and monitoring of the program. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $1,000,000 each year from the general fund to the emerging entrepreneur program special revenue fund account when preparing each forecast through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(b) $3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are transferred from the general fund to the CanStartup revolving loan account established under Minnesota Statutes, section 116J.659, subdivision 3. The commissioner of employment and economic development may use up

to four percent of this transfer for administrative purposes. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $3,000,000 each year from the general fund to the CanStartup revolving loan account when preparing each forecast through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(c) $5,000,000 in fiscal year 2026 is transferred from the Minnesota 21st century fund account in the special revenue fund under Minnesota Statutes, section 116J.423, to the general fund. This is a onetime transfer.

(d) $9,000,000 in fiscal year 2026 is transferred from the Minnesota 21st century fund account in the special revenue fund under Minnesota Statutes, section 116J.423, to the general fund. This is a onetime transfer.

Sec. 7. **APPROPRIATION CANCELLATION; JOB CREATION FUND.**

$3,000,000 of the appropriation in fiscal year 2025 from the general fund as appropriated under Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (q), is canceled to the general fund. This is a onetime cancellation.

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

Sec. 8. **REPEALER.**

Laws 2024, chapter 120, article 1, section 13, is repealed retroactively from July 1, 2024.

ARTICLE 2

EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY

Section 1. Minnesota Statutes 2024, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** (a) An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products or plants and plant-based products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

(b) Up to 15 percent of the development of a project may be for a purpose that is not included under this subdivision as an eligible project. A city or county must provide notice to the commissioner for the commissioner's approval of the proposed project.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 2. Minnesota Statutes 2024, section 116J.8733, subdivision 4, is amended to read:

Subd. 4. ~~**Revolving loan fund**~~ **Minnesota expanding opportunity account.** (a) ~~The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of increasing nonprofit corporation, Tribal economic development entity, and community development financial institution capital and lending activities with Minnesota small businesses.~~ A Minnesota expanding opportunity account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for revolving loans to nonprofit corporations for the purpose of increasing nonprofit corporation capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations~~, Tribal economic development entities, and community development financial institutions~~ that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

(c) All loan repayments must be paid into the Minnesota expanding opportunity account created in this section to fund additional loans.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 3. Minnesota Statutes 2024, section 116J.8752, subdivision 2, is amended to read:

Subd. 2. **Purpose.** The Minnesota forward fund account is created to increase the state's competitiveness by providing the state the authority and flexibility to facilitate private investment. The fund serves as a closing fund to allow the authority and flexibility to negotiate incentives to better compete with other states for business retention, expansion and attraction of projects in existing and new industries, and develop properties for business use~~, and leverage to meet matching requirements of federal funding~~ for resiliency in economic security and economic enhancement opportunities that provide the public high-quality employment opportunities.

Sec. 4. **[116J.9927] PREPARE MINNESOTA.**

Subdivision 1. **Establishment.** (a) The commissioner must establish and administer a comprehensive test and professional licensure pilot program that must be provided at no cost to students at one University of Minnesota system campus, students at one Minnesota State Colleges and Universities system campus, and dislocated workers as defined in section 116L.17.

(b) The pilot program must, at a minimum, offer students and dislocated workers test preparation services for the Medical College Admission Test, Law School Admission Test, Graduate Record Examination, Graduate Management Admission Test, and other preparation programs for professional exams, including but not limited to the areas of nursing, teaching, real estate, securities, and law. The pilot program must, at a minimum, also provide preparation for the Securities Industry Essentials

exam, a Financial Paraplanner Qualified Professional exam, and a Wealth Management Specialist exam.

Subd. 2. **Vendors.** The commissioner must procure and contract with a vendor to provide comprehensive test and professional licensure preparation services.

Subd. 3. **Priority of recipients.** If money is insufficient to provide comprehensive test and professional licensure preparation to all students or dislocated workers seeking to participate in the program, the commissioner may prioritize offering the services to recipients of a state grant under section 136A.121.

Subd. 4. **Reporting.** (a) By February 15 of each year, the commissioner must submit a report on the details of the pilot program under this section to the legislative committees with jurisdiction over workforce development and higher education finance and policy. The report must include the following information:

(1) research and analysis on the effectiveness and impact of the program that considers the following:

(i) recruitment and retention of students at eligible institutions;

(ii) the number of students who remain in Minnesota after graduating; and

(iii) the long-term value the program offers to students;

(2) the number of students who participated in the program in the prior academic year, including identifying the number of each exam type for which preparation was provided; and

(3) updated spending projections for the program.

(b) Institutions with students participating in the program must provide information to the commissioner annually to facilitate reporting.

Sec. 5. Minnesota Statutes 2024, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. **Partnership program.** (a) The partnership program may provide grants-in-aid to educational or other nonprofit educational institutions using the following guidelines:

(1) the educational or other nonprofit educational institution is a provider of training within the state in either the public or private sector;

(2) the program involves skills training that is an area of employment need; and

(3) preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

(b) A single grant to any one institution shall not exceed ~~$400,000~~ $500,000. A portion of a grant may be used for preemployment training.

(c) Each institution must provide for the dissemination of summary results of a grant-funded project, including, but not limited to, information about curriculum and all supporting materials developed in conjunction with the grant. Results of projects developed by any Minnesota State Colleges and Universities system institution must be disseminated throughout the system.

(d) At the discretion of the board, higher education institutions may charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Sec. 6. Minnesota Statutes 2024, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** (a) The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

(b) Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions or to workforce development intermediaries for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and

(4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

(c) Pathways projects must demonstrate the active involvement and financial commitment of a participating business. Pathways projects must be matched with cash or in-kind contributions on at least a one-half-to-one ratio by a participating business.

(d) A single grant to any one institution shall not exceed ~~$400,000~~ $500,000. A portion of a grant may be used for preemployment training.

(e) At the discretion of the board, higher education institutions may charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Sec. 7. Minnesota Statutes 2024, section 116L.98, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means ~~postsecondary~~ degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include certificates awarded by workforce investment boards or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Sec. 8. Minnesota Statutes 2024, section 116M.18, subdivision 3, is amended to read:

Subd. 3. ~~**Revolving loan fund**~~ **Minnesota emerging entrepreneur program account.** (a) ~~The department shall establish a revolving loan fund~~ A Minnesota emerging entrepreneur program account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for revolving loans to make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of making loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities, and to support minority business enterprises and job creation for minority and low-income persons.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive grants from the department under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

(c) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

(d) Loan applications given preliminary approval by the nonprofit corporation, Tribal economic development entity, or community development financial institution must be forwarded to the department. Nonprofit corporations, Tribal economic development entities, and community development financial institutions designated as preferred partners do not need final approval by the commissioner. All other loans must be approved by the commissioner and the commissioner must make approval decisions within 20 days of receiving a loan application unless the application contains insufficient information to make an approval decision. The amount of the state funds contributed to any loan may not exceed 50 percent of each loan. The commissioner must develop the criteria necessary to receive loan forgiveness.

Sec. 9. Minnesota Statutes 2024, section 469.54, subdivision 4, is amended to read:

Subd. 4. **Credit for parking revenue.** (a) By March 1 of the year following the year in which the parking facilities or structures are constructed within the district, the city must certify to the commissioner:

(1) the total amount of revenue generated by the parking facilities and structures in the preceding year; and

(2) the total amount necessary for operational and maintenance expenses of the facilities or structures in the ~~current~~ preceding year.

(b) By July 1 of each year thereafter, for a period of 25 years, the commissioner must confirm or revise the amounts as reported. An amount equal to 50 percent of the amount of revenue received by the city by the parking structures and facilities in the ~~previous~~ preceding year that is greater than the amount necessary for operational and maintenance expenses of the facilities or structures in the ~~current~~ preceding year must be paid by the city to the commissioner of employment and economic development by September 1 for deposit into the general fund.

Sec. 10. Laws 2023, chapter 53, article 15, section 33, subdivision 4, as amended by Laws 2024, chapter 120, article 9, section 5, is amended to read:

Subd. 4. **Loans to community businesses.** (a) A partner organization that receives a grant under subdivision 3 shall establish a plan for making low-interest loans to community businesses. The plan requires approval by the commissioner.

(b) Under the plan:

(1) the state contribution to each loan shall be no less than ~~$50,000~~ $10,000 and no more than $500,000;

(2) loans shall be made for projects that are unlikely to be undertaken unless a loan is received under the program;

(3) priority shall be given to loans to businesses in the lowest income areas;

(4) the fee or interest rate on a loan shall not be higher than the Wall Street Journal prime rate plus two percent, with a maximum of ten percent;

(5) 50 percent of all repayments of principal on a loan under the program shall be used to fund additional related lending. The partner organization may retain the remainder of loan repayments to service loans and provide further technical assistance;

(6) the partner organization may charge a loan origination fee of no more than one percent of the loan value and may retain that origination fee;

(7) a partner organization may not make a loan to a project in which it has an ownership interest; and

(8) up to 15 percent of a loan's principal amount may be forgiven by the partner organization if the borrower has met all lending criteria developed by the partner organization and the commissioner, including creating or retaining jobs and being current with all loan payments, for at least two years.

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

Sec. 11. Laws 2023, chapter 53, article 20, section 2, subdivision 2, as amended by Laws 2024, chapter 120, article 1, section 6, is amended to read:

Subd. 2. **Business and Community Development**	195,061,000	139,104,000

Appropriations by Fund		
General	193,011,000	137,054,000
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) $2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) $500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) $2,500,000 the first year is for Launch Minnesota. This is a onetime appropriation. Of this amount:

(1) $1,500,000 is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) $500,000 is for administration of Launch Minnesota; and

(3) $500,000 is for grantee activities at Launch Minnesota.

(d)(1) $500,000 each year is for grants to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and

development funding. The purpose of the grant is to build a strong Minnesota economy and stimulate the creation of novel products, services, and solutions in the private sector; strengthen the role of small business in meeting federal research and development needs; increase the commercial application of federally supported research results; and develop and increase the Minnesota workforce, especially by fostering and encouraging participation by small businesses owned by women and people who are Black, Indigenous, or people of color. This is a onetime appropriation.

(2) MNSBIR, Inc., shall use the grant money to be the dedicated resource for federal research and development for small businesses of up to 500 employees statewide to support research and commercialization of novel ideas, concepts, and projects into cutting-edge products and services for worldwide economic impact. MNSBIR, Inc., shall use grant money to:

(i) assist small businesses in securing federal research and development funding, including the Small Business Innovation Research and Small Business Technology Transfer programs and other federal research and development funding opportunities;

(ii) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(iii) partner with large businesses;

(iv) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(v) assist with scientific and technical writing;

(vi) help manage federal grants and contracts; and

(vii) support cost accounting and sole-source procurement opportunities.

(e) $10,000,000 the first year is ~~for~~ transferred from the general fund to the Minnesota Expanding Opportunity Fund Program special revenue account under Minnesota Statutes, section 116J.8733. This is a onetime ~~appropriation~~ transfer and is available until June 30, 2025.

(f) $6,425,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base for this appropriation is $2,725,000 in fiscal year 2026 and each year thereafter.

(g) $350,000 each year is for administration of the community energy transition office.

(h) $5,000,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. This is a onetime transfer.

(i) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(j) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(k) $389,000 each year is for the Center for Rural Policy and Development. The base for this appropriation is $139,000 in fiscal year 2026 and each year thereafter.

(l) $25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(m) $875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(n) $6,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The base for this appropriation is $1,500,000 in fiscal year 2026 and each year thereafter.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings, and the amount of cash and in-kind local money invested. Within one month of all

grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(o) $500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) $450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) $50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(p) $3,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. The base for this appropriation is $1,000,000 in fiscal year 2026 and each year thereafter. The Minnesota Initiative Foundations must use grant money under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by

stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(q) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(r) $12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the

grant amount limitation under Minnesota Statutes, section 116J.8731.

(s) $4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base for this appropriation is $2,246,000 in fiscal year 2026 and each year thereafter. This appropriation is available until expended.

(t) $1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Money available under this paragraph is for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(u) $325,000 the first year is for the Minnesota Film and TV Board. The appropriation is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date. This is a onetime appropriation.

(v) $12,000 each year is for a grant to the Upper Minnesota Film Office.

(w) $500,000 the first year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(x) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other

year is available. This appropriation is available until expended.

(y) $1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(z) $47,475,000 the first year and $50,475,000 the second year are for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) $475,000 each year is for administration of the PROMISE grant program;

(2) $7,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota. Of this amount, $600,000 each year is for grants to businesses with less than $100,000 in revenue in the prior year; and

(3) $39,500,000 the first year and $42,500,000 the second year are for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) $16,000,000 each year is for North Minneapolis' West Broadway, Camden, ~~or~~ and other Northside neighborhoods. Of this amount, $1,000,000 each year is for grants to businesses with less than $100,000 in revenue in the prior year;

(ii) ~~$13,500,000 each year is~~ $12,500,000 the first year and $13,500,000 the second year are for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, $750,000 each year is for grants to businesses with less than $100,000 in revenue in the prior year;

(iii) $10,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, $750,000 each year is for grants to businesses with less than $100,000 in revenue in the prior year;

(iv) $1,000,000 the first year is for South Minneapolis' Hennepin Avenue Commercial corridor, South Hennepin Community corridor, and Uptown Special Service District; and

(v) $3,000,000 the second year is for grants to businesses in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Minneapolis and St. Paul.

(aa) $15,150,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) $150,000 each year is for administration of the PROMISE loan program;

(2) $3,000,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(3) $12,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the following amounts are designated for the following areas:

(i) $4,500,000 each year is for North Minneapolis' West Broadway, Camden, ~~or~~ and other Northside neighborhoods;

(ii) $4,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors; and

(iii) $3,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(bb) $1,500,000 each year is for a grant to the Metropolitan Consortium of Community Developers for the community wealth-building grant program pilot project. Of this amount, up to two percent is for administration and monitoring of the community wealth-building grant program pilot project. This is a onetime appropriation.

(cc) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(dd) $5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. In selecting vendors and exhibitors for Expo 2027, the host organization shall prioritize outreach to, collaboration with, and inclusion of businesses that are majority owned by people of color, women, and people with disabilities. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of the project by the Bureau International des Expositions. If the project is not approved by the Bureau International des Expositions, the money shall transfer to the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Any unencumbered balance

remaining at the end of the first year does not cancel but is available for the second year.

(ee) $5,000,000 the first year is for a grant to the Neighborhood Development Center for small business programs, including training, lending, business services, and real estate programming; small business incubator development in the Twin Cities and outside the seven-county metropolitan area; and technical assistance activities for partners outside the seven-county metropolitan area; and for high-risk, character-based loan capital for nonrecourse loans. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ff) $5,000,000 the first year is for transfer to the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926, and the remainder is for a grant to the Local Initiatives Support Corporation - Twin Cities to serve as a partner organization under the program. This is a onetime appropriation.

(gg) $5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to $1,000,000 is for Tribal economic development and $2,100,000 is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(hh) $1,000,000 each year is for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) $500,000 each year is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) $250,000 each year is for workforce development and technical assistance, including but not limited to business development, entrepreneur training, business technical assistance, loan packing, and community development services.

(ii) $1,500,000 each year is for a grant to the Latino Economic Development Center. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) $750,000 each year is to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses; and

(2) $750,000 each year is to guide prospective entrepreneurs in their start-up process by introducing them to key business concepts, including business start-up readiness. Grant proceeds must be used to offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification. Grant proceeds may also be used to provide lending to business startups.

(jj) $627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services.

Of the amount appropriated, up to $270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(kk) $2,000,000 the first year is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that could be used, free of charge, for start-up, expansion, and operation of child care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to:

(i) leasehold improvements;

(ii) additions, alterations, remodeling, or renovations to rented space;

(iii) inventory or supplies;

(iv) machinery or equipment purchases;

(v) working capital; and

(vi) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the WomenVenture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

By December 15, 2026, WomenVenture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(ll) $2,000,000 the first year is for a grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses. This appropriation is available until June 30, 2025.

(mm) $5,000,000 the first year is for a grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure. This appropriation is available until June 30, 2025. Of this amount:

(1) $2,800,000 is for loans to purchase commercial real estate targeted at African immigrant small business owners;

(2) $364,000 is for loan loss reserves to support loan volume growth and attract additional capital;

(3) $836,000 is for increasing organizational capacity;

(4) $300,000 is for the safe 2 eat project of inclusive assistance with required restaurant licensing examinations; and

(5) $700,000 is for a center for community resources for language and technology assistance for small businesses.

(nn) $7,000,000 the first year is for grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated:

(1) $1,000,000 is for a grant to the Southwest Initiative Foundation;

(2) $1,000,000 is for a grant to the West Central Initiative Foundation;

(3) $1,000,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) $1,000,000 is for a grant to the Northwest Minnesota Foundation;

(5) $2,000,000 is for a grant to the Initiative Foundation of which $1,000,000 is for redevelopment of the St. Cloud Youth and Family Center; and

(6) $1,000,000 is for a grant to the Northland Foundation.

(oo) $500,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees.

This is a onetime appropriation. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the grants awarded during the past 12 months;

(2) the estimated financial impact of the grants awarded to each company receiving services under the program;

(3) the actual financial impact of grants awarded during the past 24 months; and

(4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) $375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

(1) at least 33.3 percent to businesses owned by members of racial minority communities; and

(2) at least 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) $125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up

to five percent may be used for Quorum's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(rr) $5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) $3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) $2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) $2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The grant recipient under this paragraph shall submit reports on the uses of the money appropriated, the number of jobs created due to the appropriation, wage information, and the city and state in which the additional manufacturing activity was located to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. An initial report shall

be submitted by December 15, 2023, and a final report is due by December 15, 2025. This is a onetime appropriation.

(tt)(1) $125,000 each year is for grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide. Funds may be used for the cost of programming, outreach, staffing, and supplies. This is a onetime appropriation.

(2) By January 15, 2026, the Latino Chamber of Commerce Minnesota must submit a report to the legislative committees with jurisdiction over economic development that details the use of grant funds and the grant's economic impact.

(uu) $175,000 the first year is for a grant to the city of South St. Paul to study options for repurposing the 1927 American Legion Memorial Library after the property is no longer used as a library. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(vv) $250,000 the first year is for a grant to LatinoLEAD for organizational capacity-building.

(ww) $80,000 the first year is for a grant to the Neighborhood Development Center for small business competitive grants to software companies working to improve employee engagement and workplace culture and to reduce turnover.

(xx)(1) $3,000,000 in the first year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical

assistance and administrative costs. This appropriation is available until June 30, 2025.

(2) By January 15, 2026, the Center for Economic Inclusion shall submit a report on the use of grant funds, including any loans made, to the legislative committees with jurisdiction over economic development.

(yy) $500,000 the first year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation.

(zz) $500,000 each year is for a grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy, systems navigation to eliminate capital access disparities, marketing, and other technical assistance. This is a onetime appropriation.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023, except that the amendment in paragraph (z), clause (3), item (ii), is effective retroactively from July 1, 2024.

Sec. 12. Laws 2023, chapter 53, article 21, section 7, as amended by Laws 2024, chapter 120, article 1, section 12; and Laws 2024, chapter 125, article 8, section 9, is amended to read:

Sec. 7. **APPROPRIATIONS.**

(a) $50,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development ~~for providing businesses with matching funds required by federal programs~~. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, ~~2027~~ 2030. Any funds that remain unspent are canceled to the general fund.

(b) $100,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match existing federal funds made available in the Consolidated Appropriations Act, Public Law 117-328. This appropriation must be used to (1) construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks or (2) for a Minnesota aerospace

center for research, development, and testing, or both (1) and (2). This appropriation is not subject to the grant limit requirements of Minnesota Statutes, section 116J.8752, subdivisions 4, paragraph (b), and 5. Notwithstanding Minnesota Statutes, section 116J.8752, subdivision 4, paragraph (a), this appropriation may include land acquisition as an eligible use to construct a bioindustrial manufacturing pilot innovation facility, a biorefinery, and an aerospace center for research, development, and testing. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, ~~2027~~ 2030. Any funds that remain unspent are canceled to the general fund.

(c) $240,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match federal funds made available in the Chips and Science Act, Public Law 117-167. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. This appropriation is not subject to Minnesota Statutes, section 116J.8752, subdivision 5. The commissioner may use up two percent for administration. This is a onetime appropriation and is available until June 30, ~~2027~~ 2030. Any funds that remain unspent are canceled to the general fund.

(d) The commissioner may use the appropriation under paragraph (c) to allocate up to 15 percent of the total project cost with a maximum of $75,000,000 per project for the purpose of constructing, modernizing, or expanding commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors; funding semiconductor materials and manufacturing equipment facilities; and for research and development facilities.

(e) The commissioner may use the appropriation under paragraph (c) to award:

(1) grants to institutions of higher education for developing and deploying training programs and to build pipelines to serve the needs of industry; and

(2) grants to increase the capacity of institutions of higher education to serve industrial requirements for research and development that coincide with current and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is $5,000,000 and may not represent more than 50 percent of the total project funding from other sources. Use of this funding must be supported by businesses receiving funds under clause (1).

(f) Money appropriated in paragraphs (a), (b), and (c) may be transferred between appropriations within the Minnesota forward fund account by the commissioner of employment and economic development with approval of the commissioner of management and budget. The commissioner must notify the Legislative Advisory Commission at least 15 days prior to changing appropriations under this paragraph.

Sec. 13. **CHANGE STARTS WITH COMMUNITY VIOLENCE PREVENTION PROGRAM.**

Subdivision 1. **Objectives.** Change Starts With Community must:

(1) develop and implement year-round job training programs for at-risk youth and adults and provide trusted adult mentorship for at-risk Black, Indigenous, and People of Color youth, providing them with the skills needed for gainful employment and career opportunities; and

(2) create on-site job opportunities at Shiloh Cares Food Shelf - Northside Community Safety Resource Center, promoting community engagement and economic development.

Subd. 2. **Partnership.** Change Starts With Community shall partner with the Cargill Foundation to support at-risk youth educational career exposure field trips and exposing participants to the Change Starts With Community Agrihood garden and preventing further trauma through field trips for youth.

Subd. 3. **At-risk youth and adult job program positions.** Change Starts With Community must use grant proceeds to add positions to the program's complement, including but not limited to adult food service workers, youth food service workers, an executive director, operations director, program coordinator, and food shelf manager.

Subd. 4. **Report.** Beginning in fiscal year 2026, Change Starts With Community shall report to the commissioner of employment and economic development outlining the use of grant money, program outcomes, and the impact on the targeted population. The report must be submitted no later than six months after the end of each fiscal year.

Sec. 14. **APPLICABILITY OF CERTAIN REQUIREMENTS TO APPROPRIATION.**

The appropriation in Laws 2023, chapter 53, article 20, section 2, subdivision 3, paragraph (ee), is not subject to Minnesota Statutes, section 116L.98.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 15. **RELOCATION GRANTS.**

The commissioner of employment and economic development must reissue a request for proposal for relocation grants under Laws 2024, chapter 120, article 1, section 2, paragraph (i). The commissioner must make best efforts to conduct outreach and provide technical assistance to businesses eligible for the grants. The appropriation under Laws 2024, chapter 120, article 1, section 2, paragraph (i), is available until June 30, 2026.

Sec. 16. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "small business growth acceleration program" to "Made in Minnesota program" wherever it appears in Minnesota Statutes, section 116O.115.

ARTICLE 3

EXPLORE MINNESOTA

Section 1. Minnesota Statutes 2024, section 116U.05, is amended to read:

116U.05 EXPLORE MINNESOTA; ESTABLISHMENT.

Explore Minnesota is an office in the executive branch with a director appointed by the governor. The director is under the supervision of the commissioner of employment and economic development and oversees Explore Minnesota Tourism ~~and~~, Explore Minnesota for Business, and Explore Minnesota Film divisions. The director serves in the unclassified service and must be qualified by experience and training in related fields.

Sec. 2. Minnesota Statutes 2024, section 116U.06, is amended to read:

116U.06 EXPLORE MINNESOTA TOURISM.

Explore Minnesota Tourism ~~is a division of Explore Minnesota and~~ exists to support Minnesota's economy through promotion and facilitation of travel to and within the state of Minnesota.

Sec. 3. Minnesota Statutes 2024, section 116U.15, is amended to read:

116U.15 MISSION.

(a) The mission of Explore Minnesota is to ~~promote and facilitate increased travel to and within the state of Minnesota, promote overall livability, and promote workforce and economic opportunity in Minnesota~~ support the growth of Minnesota's economy through the management of the state's tourism, livability and economic opportunity, outdoor recreation, film, and other statewide promotion efforts as directed. To further the mission of Explore Minnesota, the office is advised by various advisory councils ~~focused on tourism and talent attraction and business marketing~~. Its goals are to:

(1) expand public and private partnerships through increased interagency efforts and increased tourism and business industry participation;

(2) increase productivity through enhanced flexibility and options; and

(3) use innovative fiscal and human resource practices to manage the state's resources and operate the office as efficiently as possible.

(b) The director shall report to the legislature on the performance of the office's operations and the accomplishment of its goals in the office's biennial budget according to section 16A.10, subdivision 1.

Sec. 4. Minnesota Statutes 2024, section 116U.30, is amended to read:

116U.30 DUTIES OF DIRECTOR.

(a) The director shall:

(1) publish, disseminate, and distribute informational and promotional materials;

(2) promote and encourage the coordination of Explore Minnesota ~~travel, tourism, overall livability, and workforce and economic opportunity~~ promotion efforts with other state agencies and develop multiagency marketing strategies when appropriate;

(3) promote and encourage the expansion and development of ~~international tourism, trade, and Minnesota livability marketing~~ programs that support the mission of the office;

(4) advertise and disseminate information about ~~Minnesota travel, tourism, and workforce and economic development opportunities~~ Explore Minnesota and its activities that support the mission of the office;

(5) ~~aid various~~ provide local communities a reasonable level of support to improve their ~~travel, tourism, and overall livability~~ marketing programs as they relate to the mission of the office;

(6) coordinate and implement comprehensive state ~~travel, tourism, workforce and economic development, and overall livability~~ mission-driven marketing programs that take into consideration public and private businesses and attractions;

(7) contract, in accordance with section 16C.08, for professional services if the work or services cannot be satisfactorily performed by employees of the agency or by any other state agency;

(8) provide local, regional, and statewide organizations with information, ~~technical assistance~~ educational opportunities, training, and advice on ~~using state tourism and livability information and~~ promotional programs related to the office's mission; and

(9) generally gather, compile, and make available statistical information relating to ~~Minnesota travel, tourism, workforce and economic development, overall livability, and related areas in this state~~ the office's mission. The director has the authority to call upon other state agencies for statistical data and results obtained by them and to arrange and compile that statistical information.

(b) The director may:

(1) apply for, receive, and spend money ~~for travel, tourism, workforce and economic development, and overall livability development and marketing~~, as it relates to the mission of the office, from other agencies, organizations, and businesses;

(2) apply for, accept, and disburse grants and other aids for ~~tourism~~ development and marketing from the federal government and other sources;

(3) enter into joint powers or cooperative agreements with agencies of the federal government, local governmental units, regional development commissions, other state agencies, the University of Minnesota and other educational institutions, other states, Canadian provinces, and local, statewide, and regional organizations as necessary to perform the director's duties;

(4) enter into interagency agreements and agree to share net revenues with the contributing agencies;

(5) make grants;

(6) conduct market research and analysis to improve marketing techniques ~~in the area of travel, tourism, workforce and economic development, and overall livability~~;

(7) monitor and study trends in the related industries and provide resources and training to address change;

(8) annually convene conferences of Minnesota providers for the purposes of exchanging information on tourism development, coordinating marketing activities, and formulating ~~tourism,~~

~~overall livability, and workforce and economic opportunity~~ mission-related promotion development strategies; and

(9) enter into promotion contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries to promote international travel and to implement this chapter.

(c) Contracts for goods and ~~nonprofessional~~ services and professional technical services made under paragraph (b), clauses (3) and (9), are not subject to the provisions of sections 16C.03, subdivision 3, and 16C.06 concerning competitive bidding and section 16C.055 concerning barter arrangements. Professional technical service contracts that promote Minnesota as a tourism travel destination or a talent attraction may be negotiated and are not subject to the provisions of chapter 16C relating to competitive bidding.

Sec. 5. Minnesota Statutes 2024, section 116U.35, is amended to read:

116U.35 PROMOTIONAL EXPENSES.

To promote ~~travel, tourism, workforce and economic development, and overall livability of the state~~ programs that align with Explore Minnesota's mission, the director may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. Policies on promotional expenses must be approved by the commissioner of administration. A policy for expenditures on food, lodging, and travel must be approved by the commissioner of management and budget. No money may be expended for the appearance in radio or television broadcasts by an elected public official.

ARTICLE 4

DEED CANNABIS PROGRAMS

Section 1. Minnesota Statutes 2024, section 116J.659, subdivision 4, is amended to read:

Subd. 4. **Loans to businesses.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be used to support a new cannabis microbusiness in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals 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 cannabis microbusinesses 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~~ $75,000; or

(2) ~~$150,000~~ $200,000, if state contributions are matched by ~~an equal or greater amount~~ at least 25 percent of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the commissioner for approval. The commissioner must ~~give final approval for each loan made by the nonprofit corporation under the program~~ make approval decisions within 30 days of receiving a loan application. If the application contains insufficient information to make an approval decision, the nonprofit corporation must be notified within 14 days with all information that needs to be provided.

(f) A cannabis microbusiness that receives a loan may apply ~~to renew the~~ for a subsequent loan. ~~Renewal applications must be made on an annual basis and~~ A cannabis microbusiness may ~~receive loans for up to six consecutive years~~ have a maximum of two program loans. A nonprofit corporation may ~~renew~~ originate a loan to a cannabis microbusiness that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may ~~adjust the amount of a renewed loan, or not renew a loan,~~ decline to originate a subsequent loan if the nonprofit corporation determines that the cannabis microbusiness is financially stable and is substantially likely to continue the project for which the loan ~~renewal~~ is sought. Refinancing of existing debt is prohibited.

(g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

Sec. 2. Minnesota Statutes 2024, section 116J.659, subdivision 5, is amended to read:

Subd. 5. **Revolving loan account administration.** (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate or fee equivalent charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the commissioner for deposit in the CanStartup revolving loan account. Loan interest payments ~~must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section~~ may be retained by the nonprofit corporation originating the loan to help cover expenses for loan servicing and origination.

(c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing technology, insurance, legal, audit and accounting, reporting, financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

(d) Average interest rates charged by the nonprofit corporations must be reported biannually and publicly published by both the agency and the nonprofit corporation.

ARTICLE 5

PROMISE ACT MODIFICATIONS

Section 1. Laws 2023, chapter 53, article 18, section 2, subdivision 1, is amended to read:

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

(b) "Business" means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and nonprofit corporations receiving grants to provide grants to businesses under this section.

(e) "Prior taxable year" means the most recently completed tax year to the calendar year that an application is submitted.

(f) "Program" means the PROMISE grant program under this section.

(g) "Taxpayer" has the meaning given in Minnesota Statutes, section 290.01, subdivision 6.

Sec. 2. Laws 2023, chapter 53, article 18, section 2, subdivision 4, is amended to read:

Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the partner organization and approved by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

(1) have primary business operations located in the state of Minnesota;

(2) be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification; and

(3) have a gross annual revenue of $750,000 or less based on ~~2021 taxes~~ the prior taxable year.

(c) In addition to the requirements under paragraph (a), if a taxpayer's business meets requirements of paragraph (b), clause (2), and the business location is the taxpayer's residence, the taxpayer must have been eligible for the deduction allowed under section 280A(c)(1) of the Internal Revenue Code, in the prior taxable year.

~~(c)~~ (d) Preference shall be given to businesses that did not receive previous assistance of more than $10,000 cumulatively from the state under:

(1) the governor's Executive Order No. 20-15;

(2) Laws 2020, First Special Session chapter 1, section 4;

(3) Laws 2020, Seventh Special Session chapter 2, article 4 or 5; or

(4) Laws 2021, First Special Session chapter 10, article 2, section 22.

~~(d)~~ (e) Preference shall be given to businesses that are able to demonstrate financial hardship.

~~(e)~~ (f) Preference shall be given to businesses that were in operation in 2021 and had revenue of $750,000 or less based on the prior year tax documentation submitted under paragraph (b), clause (3).

(g) Grants under this subdivision must not exceed:

(1) $10,000 for businesses with a gross revenue in the prior year of $100,000 or less;

(2) $25,000 for businesses with a gross revenue in the prior year of more than $100,000 but no more than $350,000; and

(3) $50,000 for businesses with a gross revenue in the prior year of more than $350,000 but no more than $750,000.

~~(f)~~ (h) No business or individual may receive more than one grant under this section.

~~(g)~~ (i) Grant money may be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, equipment, and other similar expenses that occur in the regular course of business.

Sec. 3. Laws 2023, chapter 53, article 18, section 3, subdivision 1, is amended to read:

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

(b) "Borrower" means an eligible recipient receiving a loan under this section.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible project" means the development, redevelopment, demolition, site preparation, predesign, design, engineering, repair, land acquisition, relocation, or renovation of real property or capital improvements. Eligible project includes but is not limited to construction of buildings, equipment purchases, infrastructure, related site amenities, landscaping, and street-scaping.

(e) "Eligible recipient" means a:

(1) business;

(2) nonprofit organization; or

(3) developer that is seeking funding to complete an eligible project. Eligible recipient does not include a partner organization or a local unit of government.

Eligible recipients must: (i) have primary operations located in the state of Minnesota; (ii) have gross annual revenue of less than ~~$1,000,000~~ $1,500,000 based on ~~2021 taxes~~ the prior taxable year;

and (iii) be located in a community that has been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, a loss of population or an aging population, or a lack of regional economic diversification.

(f) "Partner organization" or "Partner" means the Minnesota Initiative Foundations and nonprofit corporations receiving grants to provide loans under this section.

(g) "Program" means the PROMISE loan program under this section.

(h) "Redevelopment" means the acquisition of real property; site preparation; predesign, design, engineering, repair, or renovation of facilities facade improvements, and construction of buildings, infrastructure, and related site amenities; landscaping; street-scaping; land-banking for future development or redevelopment; or financing any of these activities taken on by a private party pursuant to an agreement with the city. Redevelopment does not include project costs that have received compensation or assistance available through insurance policies or from other organizations or government agencies.

Sec. 4. Laws 2023, chapter 53, article 18, section 3, subdivision 4, is amended to read:

Subd. 4. **Loans to eligible recipients.** (a) A partner organization may make loans to eligible recipients for eligible projects. A loan to an eligible recipient for an eligible project must:

(1) be for no more than ~~$1,000,000~~ $1,500,000;

(2) be for a term of no more than ~~ten~~ 20 years; and

(3) not charge an interest rate of more than three percent.

(b) Loans must not be used for working capital or inventory; consolidating~~,~~ or repaying~~, or refinancing~~ debt; or speculation or investment in rental real estate.

(c) All payments of interest on a loan under this section are the property of the partner organization ~~and shall be used for its administrative and operating expenses under the program~~.

(d) A partner organization may:

(1) charge a loan origination fee of no more than one percent per loan; and

(2) charge a monthly fee in lieu of interest.

Sec. 5. Laws 2023, chapter 53, article 18, section 3, subdivision 5, is amended to read:

Subd. 5. **Revolving loan fund.** Partner organizations that receive grants from the commissioner under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans. All loan payments shall be deposited in the partner organization's revolving loan fund. Funds repaid to the partner organization are not limited in their uses by the language in this section, except that funds repaid may not be used for loans for speculation or investment in rental real estate.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

ARTICLE 6

EMPLOYMENT AND ECONOMIC DEVELOPMENT MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.02 and 116L.04, or to provide incumbent worker training services under section 116L.18 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, county labor force participation rates, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and management and budget, and to the public.

Sec. 2. Minnesota Statutes 2024, section 248.07, subdivision 7, is amended to read:

Subd. 7. **Blind, vending ~~stands and machines~~ facilities on governmental property; liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending ~~stands and vending machines~~ facilities in all buildings and properties owned or rented exclusively by the Minnesota State Colleges and Universities at a state university, a community college, a consolidated community technical college, or a technical college served by the commissioner before January 1, 1996, or by any department or agency of the state of Minnesota except the Department of Natural Resources properties operated directly by the Division of State Parks and not subject to private leasing. Vending ~~stands and machines~~ facilities authorized under this subdivision may dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions, and related items and must be operated on the same basis as other vending ~~stands~~ facilities for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent

of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending ~~stands and vending machines~~ facilities for the blind in any building or property exclusively owned or rented by the governmental subdivision.

(b) The Department of Employment and Economic Development is not liable under chapter 176 for any injury sustained by a blind vendor's employee or agent. The Department of Employment and Economic Development, its officers, and its agents are not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or agent that may result in the blind vendor's liability to third parties. The Department of Employment and Economic Development, its officers, and its agents are not liable for negligence based on any theory of liability for claims arising from the relationship created under this subdivision with the blind vendor.

Sec. 3. Minnesota Statutes 2024, section 248.07, subdivision 8, is amended to read:

Subd. 8. **Use of revolving fund, licenses for operation of vending ~~stands~~ facilities.** (a) The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending ~~stands~~ facilities by blind persons. All income, receipts, earnings, and federal vending ~~machine~~ facility income due to the operation of vending ~~stands~~ facilities operated under this subdivision shall also be paid into the fund. All interest earned on money accrued in the fund must be credited to the fund by the commissioner of management and budget. All equipment, supplies, and expenses for setting up these ~~stands~~ facilities shall be paid for from the fund.

(b) The commissioner is authorized to use the money available in the revolving fund that originated as operational charges to individuals licensed under this subdivision for the establishment, operation, and supervision of vending ~~stands~~ facilities by blind persons for the following purposes:

(1) purchase, upkeep and replacement of equipment;

(2) expenses incidental to the setting up of new ~~stands~~ facilities and improvement of old ~~stands~~ facilities;

(3) reimbursement under section 15.059 to individual blind vending operators for reasonable expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law; and

(4) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. "Majority vote" means a majority of blind vending operators voting. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual ~~stand~~ facility.

(c) Money originally deposited as merchandise and supplies repayments by individuals licensed under this subdivision may be expended for initial and replacement stocks of supplies and

merchandise. Money originally deposited from vending income on federal property must be spent consistent with federal law.

(d) All other deposits may be used for the purchase of general liability insurance or any other expense related to the operation and supervision of vending ~~stands~~ facilities.

(e) The commissioner shall issue each license for the operation of a vending ~~stand~~ facility or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated ~~stands~~ facilities preference on the basis of seniority of experience in operating ~~stands~~ facilities under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the ~~stand~~ facility is located.

Sec. 4. Minnesota Statutes 2024, section 268.085, subdivision 15, is amended to read:

Subd. 15. **Available for suitable employment defined.** (a) "Available for suitable employment" means an applicant is ready, willing, and able to accept suitable employment. The attachment to the work force must be genuine. An applicant may restrict availability to suitable employment, but there must be no other restrictions, either self-imposed or created by circumstances, temporary or permanent, that prevent accepting suitable employment.

(b) Unless the applicant is in reemployment assistance training, to be "available for suitable employment," a student who has regularly scheduled classes must be willing to discontinue classes to accept suitable employment when:

(1) class attendance restricts the applicant from accepting suitable employment; and

(2) the applicant is unable to change the scheduled class or make other arrangements that excuse the applicant from attending class.

(c) Except for an active search that may be done remotely, an applicant who is absent from the labor market area for personal reasons, other than to search for work, is not "available for suitable employment." An applicant who is conducting an active work search remotely must be able to be physically present for an in-person interview, if scheduled, to be considered "available for suitable employment" under this paragraph.

(d) An applicant who has restrictions on the hours of the day or days of the week that the applicant can or will work, that are not normal for the applicant's usual occupation or other suitable employment, is not "available for suitable employment." An applicant must be available for daytime employment, if suitable employment is performed during the daytime, even though the applicant previously worked the night shift.

Sec. 5. Minnesota Statutes 2024, section 268.184, subdivision 1, is amended to read:

Subdivision 1. **Misrepresentation; administrative penalties.** (a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer made a false statement or representation without a good faith belief as to correctness of the statement or representation or knowingly failed to disclose a material fact in order to:

(1) assist an applicant to receive unemployment benefits to which the applicant is not entitled;

(2) prevent or reduce the payment of unemployment benefits to an applicant; or

(3) avoid or reduce any payment required from an employer under this chapter or section 116L.20.

The penalty is the greater of $500 or ~~50~~ 100 percent of the following resulting from the employer's action:

(i) the amount of any overpaid unemployment benefits to an applicant;

(ii) the amount of unemployment benefits not paid to an applicant that would otherwise have been paid; or

(iii) the amount of any payment required from the employer under this chapter or section 116L.20 that was not paid.

(b) The commissioner must penalize an employer if that employer failed or refused to honor a subpoena issued under section 268.188. The penalty is $500 and any costs of enforcing the subpoena, including attorney fees.

(c) Penalties under this subdivision and under section 268.047, subdivision 4, paragraph (b), are in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the trust fund.

(d) The determination of penalty is final unless the employer files an appeal within 45 calendar days after the sending of the determination of penalty to the employer by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105."

Amend the title numbers accordingly

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Housley amendment to S.F. No. 1832.

There were yeas 3 and nays 4, as follows:

Those who voted in the affirmative were:

Senators Draheim, Housley, and Nelson.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, and Pha.

The amendment was not adopted.

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2216: A bill for an act relating to commerce; establishing a biennial budget for commerce and energy; modifying provisions governing consumer small loans and lending; modifying the Minnesota premium security plan; requiring submission of a state innovation waiver; modifying provisions governing renewable energy, energy conservation, and energy efficiency; regulating retail electric vehicle supply equipment; modifying provisions governing certain cannabis licenses; imposing assessments and fees; appropriating money; authorizing administrative rulemaking; amending Minnesota Statutes 2024, sections 47.60, subdivisions 1, 3, 4, 5, 8, by adding a subdivision; 47.601, subdivisions 1, 5a, 7; 62E.21, by adding a subdivision; 62E.23, subdivisions 1, 2, 3; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1, by adding a subdivision; 80A.58; 80A.65, subdivision 2, by adding a subdivision; 116C.7792; 216C.09; 216C.10; 216C.11; 216C.12; 216C.391, subdivisions 1, 3; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 239.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMERCE FINANCE

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. If an appropriation in this act is enacted more than once in the 2025 legislative session or a special session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$ 41,318,000**	**$ 41,281,000**
Appropriations by Fund		
	2026	2027
General	38,625,000	38,588,000

Workers' Compensation Fund	600,000	600,000
Special Revenue	2,093,000	2,093,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Financial Institutions** 2,933,000 2,933,000

(a) $400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

(b) $254,000 each year is to administer Minnesota Statutes, chapter 58B.

(c) $441,000 each year is for additional securities unit staffing.

Subd. 3. **Administrative Services** 12,143,000 12,133,000

(a) $353,000 each year is for system modernization and cybersecurity upgrades for the unclaimed property program.

(b) $249,000 each year is for the senior safe fraud prevention program.

(c) $500,000 each year is to create and maintain the Prescription Drug Affordability Board established under Minnesota Statutes, section 62J.87.

(d) $12,000 each year is for the intermediate blends of gasoline and biofuels report under Minnesota Statutes, section 239.791, subdivision 8.

(e) $657,000 the first year and $62,000 the second year are for the development, maintenance, and staff costs of the common

interest community register under Minnesota Statutes, section 515B.5-101.

(f) $348,000 each year is for the common interest community ombudsperson and related staff under Minnesota Statutes, section 45.0137.

The base for administrative services is $12,411,000 in each of fiscal years 2028 and 2029.

Subd. 4. **Enforcement** 6,421,000 6,421,000

(a) $225,000 each year is to create and maintain the Mental Health Parity and Substance Abuse Accountability Office under Minnesota Statutes, section 62Q.465.

(b) $197,000 each year is to create and maintain a student loan advocate position under Minnesota Statutes, section 58B.011.

Subd. 5. **Telecommunications** 3,235,000 3,235,000

Appropriations by Fund		
General	1,142,000	1,142,000
Special Revenue	2,093,000	2,093,000

$2,093,000 each year is from the telecommunications access Minnesota fund under Minnesota Statutes, section 237.52, subdivision 1, in the special revenue fund for the following transfers:

(1) $1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This transfer is subject to Minnesota Statutes, section 16A.281;

(2) $290,000 each year is to the chief information officer to coordinate technology accessibility and usability;

(3) $133,000 each year is to the Legislative Coordinating Commission for captioning

legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of web-based services.

Subd. 6. **Insurance**			13,689,000	13,483,000
	Appropriations by Fund			
General	13,089,000	12,883,000		
Workers' Compensation	600,000	600,000		

(a) $136,000 each year is to advance standardized health plan options.

(b) $105,000 each year is to evaluate legislation for new mandated health benefits under Minnesota Statutes, section 62J.26.

(c) $600,000 each year is from the workers' compensation fund.

(d) $42,000 each year is to ensure health plan company compliance with Minnesota Statutes, section 62Q.47, paragraph (h).

(e) $25,000 each year is to evaluate existing statutory health benefit mandates.

Subd. 7. **Weights and Measures Division**	2,897,000	3,076,000
Sec. 3. **OFFICE OF CANNABIS MANAGEMENT**	**$ 37,150,000**	**$ 40,017,000**

$15,000,000 each year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of this amount, up to three percent may be used to pay for administrative expenses incurred by the Office of Cannabis Management.

$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of this amount, up to three percent may be used to pay for administrative

expenses incurred by the Office of Cannabis Management.

The base is $40,103,000 in each of fiscal years 2028 and 2029.

Sec. 4. Laws 2023, chapter 63, article 9, section 5, is amended to read:

Sec. 5. **OFFICE OF CANNABIS MANAGEMENT** **$ 21,614,000 $ 17,953,000**

The base for this appropriation is $35,587,000 in fiscal year 2026 and $38,144,000 in fiscal year 2027.

~~$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.~~ $1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2026. Of this amount, up to three percent may be used to pay for administrative expenses incurred by the Office of Cannabis Management. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.

$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses.

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

ARTICLE 2

FINANCIAL INSTITUTIONS POLICY

Section 1. Minnesota Statutes 2024, section 45.24, is amended to read:

45.24 LICENSE TECHNOLOGY FEES.

(a) The commissioner may establish and maintain an electronic licensing database system for license origination, renewal, and tracking the completion of continuing education requirements by individual licensees who have continuing education requirements, and other related purposes.

(b) The commissioner shall pay for the cost of operating and maintaining the electronic database system described in paragraph (a) through a technology surcharge imposed upon the fee for license origination and renewal, for individual licenses that require continuing education.

(c) The surcharge permitted under paragraph (b) shall be up to $40 for each two-year licensing period, except as otherwise provided in paragraph (f), and shall be payable at the time of license origination and renewal.

(d) The Commerce Department technology account is hereby created as an account in the special revenue fund.

(e) The commissioner shall deposit the surcharge permitted under this section in the account created in paragraph (d), and funds in the account are appropriated to the commissioner in the amounts needed for purposes of this section. The commissioner of management and budget shall transfer an amount determined by the commissioner of commerce from the account to the statewide electronic licensing system account under section 16E.22 for the costs of the statewide licensing system attributable to the inclusion of licenses subject to this section.

(f) The commissioner ~~shall~~ may temporarily reduce or suspend the surcharge as necessary if the balance in the account created in paragraph (d) exceeds $2,000,000 as of the end of June in any calendar year and ~~shall~~ must annually review the anticipated costs under paragraph (b) to determine the amount to increase or decrease the surcharge ~~as necessary~~ to keep the fund balance at an adequate level but not in excess of $2,000,000.

Sec. 2. Minnesota Statutes 2024, section 46A.04, is amended to read:

46A.04 EXCEPTIONS AND EXEMPTIONS.

(a) The requirements under section 46A.03, subdivisions 3, paragraph (b); 5, paragraph ~~(a)~~ (b); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For ~~the~~ purposes of this section the terms defined in this subdivision have the meanings given ~~them~~:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge. A loan that meets the Federal Qualified Mortgage standards in Code of Federal Regulations, title 12, section 1026.43(e)(3), is exempt from the service charge limitations under this section.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than $300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a

loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower

in an original principal amount of less than $100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes

interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 4. Minnesota Statutes 2024, section 47.20, subdivision 8, is amended to read:

Subd. 8. **Conventional loan provisions.** (a) A lender making a conventional loan shall comply with the following:

(1) the promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8-point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly handwritten.;

(2) the mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage~~.~~; and

(3) the mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by ~~certified~~: (i) first-class mail to the address of the mortgaged property or ~~such other~~ a different address ~~as~~ the borrower ~~may have designated~~ designates in writing to the lender; or (ii) email or other electronic communication, if agreed to by the lender and the borrower in writing. The lender need not give the borrower the notice required by this ~~paragraph~~ clause if the default consists of the borrower selling the mortgaged property without the required consent of the lender.

(b) The mortgage shall further provide that the notice under paragraph (a), clause (3), shall contain the following provisions:

~~(a)~~ (1) the nature of the default by the borrower;

~~(b)~~ (2) the action required to cure the default;

~~(c)~~ (3) a date, not less than 30 days from the date the notice is mailed by which the default must be cured;

~~(d)~~ (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises;

~~(e)~~ (5) that the borrower has the right to reinstate the mortgage after acceleration; and

~~(f)~~ (6) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 5. Minnesota Statutes 2024, section 47.77, is amended to read:

47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.

(a) No financial institution shall initiate a transfer of a deposit account to another deposit account bearing different identification information without sending at least 30 days' prior notice to at least one of the deposit account holders at the last known address on file with the financial institution. If the new account is subject to different terms, the financial institution must obtain the written consent of at least one of the deposit account holders before the new terms become effective.

(b) No financial institution shall initiate a closure of a deposit account without first sending at least one of the deposit account holders a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 30 days before the financial institution closes the deposit account~~;~~, except that~~,~~ if the financial institution has reasonable suspicion to believe that account is being used in connection with a check-related fraud or other crime ~~or that~~, funds will not be available to pay items drawn on the account, or the deposit account holder has engaged in disruptive, hostile, or harassing behavior

toward financial institution employees or customers, the notice may be sent the same day as the account is closed.

(c) As used in this section, the following terms have the meanings given them. "Deposit account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit share account, and other like arrangement. "Financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, savings associations, industrial loan and thrift companies, and credit unions.

Sec. 6. Minnesota Statutes 2024, section 53B.61, is amended to read:

53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.

(a) A licensee must maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of the licensee's outstanding money transmission obligations.

(b) Except for permissible investments enumerated in section 53B.62, ~~paragraph (a)~~ subdivision 1, clause (1), the commissioner may by administrative rule or order, with respect to any licensee, limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers not reflected in the market value of investments.

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency; the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization; the filing of a petition by or against the licensee for receivership; the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization; or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this paragraph are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

(d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause (4), the commissioner must notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in Minnesota and other states, as defined by a substantially similar statute in the other state. Any statutory trust established under this section terminates upon extinguishment of all of the licensee's outstanding money transmission obligations.

(e) The commissioner may by rule or by order allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

Sec. 7. Minnesota Statutes 2024, section 55.07, is amended by adding a subdivision to read:

Subd. 3. **Safe deposit lease; automatic renewal.** A safe deposit lease may renew automatically at the end of the lease's term. A consumer may terminate a safe deposit lease at any time in writing or in any other manner described in the lease.

Sec. 8. Minnesota Statutes 2024, section 58B.02, subdivision 8a, is amended to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include, to the extent that state regulation is preempted by federal law:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union;

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union;

(4) the United States government, through Title IV of the Higher Education Act of 1965, as amended, and administered by the United States Department of Education;

(5) an agency, instrumentality, or political subdivision of Minnesota;

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision ~~11~~ 10; or

(7) a person who is not in the business of making student loans and who makes no more than three student loans, with the person's own funds, during any 12-month period.

Sec. 9. Minnesota Statutes 2024, section 58B.051, is amended to read:

58B.051 REGISTRATION FOR LENDERS.

(a) Beginning January 1, 2025, a lender must register with the commissioner as a lender before providing services in Minnesota. A lender must not offer or make a student loan to a resident of Minnesota without first registering with the commissioner as provided in this section.

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

(3) the names of all officers, directors, owners, or other persons in control of an applicant, as defined in section 58B.02, subdivision 6; and

(4) any other information the commissioner requires ~~by rule~~.

(c) Registration issued or renewed expires December 31 of each year. A lender must renew the lender's registration on an annual basis.

(d) The commissioner may adopt and enforce:

(1) registration procedures for lenders, which may include using the Nationwide Multistate Licensing System and Registry;

(2) nonrefundable registration fees for lenders, which may include fees for using the Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

(3) procedures and nonrefundable fees to renew a lender's registration, which may include fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly by the lender; and

(4) alternate registration procedures and nonrefundable fees for postsecondary education institutions that offer student loans.

Sec. 10. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

Sec. 11. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

Sec. 12. Minnesota Statutes 2024, section 80A.65, subdivision 2, is amended to read:

Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial or renewal registration shall pay a filing fee of $200 in the case of a broker-dealer, $65 in the case of an agent, $100 in the case of an investment adviser, and $50 in the case of an investment adviser representative. When an application is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of ~~$25~~ $60.

Sec. 13. Minnesota Statutes 2024, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary

or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

Sec. 14. **APPLICATION OF MINNESOTA STATUTES, SECTION 65A.3025.**

Minnesota Statutes, section 65A.3025, applies to policies issued or renewed on or after August 1, 2024. Minnesota Statutes, section 65A.3025, does not apply to policies issued or renewed prior to that date.

EFFECTIVE DATE. This section is effective retroactively from August 1, 2024.

Sec. 15. **CERTAIN COMPLIANCE OPTIONAL.**

A lender's compliance with Minnesota Statutes, section 47.20, subdivision 8, is optional with respect to conventional loan mortgage documents dated between August 1, 2024, and July 31, 2025.

EFFECTIVE DATE. This section is effective retroactively from July 31, 2024.

ARTICLE 3

HEALTH INSURANCE

Section 1. Minnesota Statutes 2024, section 62A.31, subdivision 1r, is amended to read:

Subd. 1r. **Community rate.** (a) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells Medicare-related coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no Medicare-related coverage may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this subdivision. The same community rate must apply to newly issued coverage and to renewal coverage.

(b) For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; ~~and~~

(3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce~~.~~; and

(4) premium increases in recognition of late enrollment or reenrollment.

(c) The premium increase permitted under paragraph (b), clause (4), must not exceed ten percent for each late enrollment or reenrollment. The increase must only be applied as a flat percentage of premium for an individual who: (1) enrolls in a Medicare supplement policy outside of the individual's initial enrollment period in Medicare Part B; and (2) is not eligible for a guaranteed issue period under subdivision 1u. Each premium increase permitted under paragraph (b), clause (4), may be applied for more than one plan year, including to renewals and reenrollments.

(d) For insureds not residing in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, or Washington County, a health plan may, at the option of the health carrier, phase in compliance under the following timetable:

~~(i)~~ (1) a premium adjustment as of March 1, 1993, that consists of one-half of the difference between the community rate that would be applicable to the person as of March 1, 1993, and the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted on December 31, 1992. A health plan may, at the option of the health carrier, implement the entire premium difference described in this clause for any person as of March 1, 1993, if the premium difference would be 15 percent or less of the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted on December 31, 1992, if the health

plan does so uniformly regardless of whether the premium difference causes premiums to rise or to fall. The premium difference described in this clause is in addition to any premium adjustment attributable to medical cost inflation or any other lawful factor and is intended to describe only the premium difference attributable to the transition to the community rate; and

~~(ii)~~ (2) with respect to any person whose premium adjustment was constrained under clause ~~(i)~~ (1), a premium adjustment as of January 1, 1994, that consists of the remaining one-half of the premium difference attributable to the transition to the community rate, as described in clause ~~(i)~~ (1).

(e) A health plan that initially follows the phase-in timetable may at any subsequent time comply on a more rapid timetable. A health plan that is in full compliance as of January 1, 1993, may not use the phase-in timetable and must remain in full compliance. Health plans that follow the phase-in timetable must charge the same premium rate for newly issued coverage that they charge for renewal coverage. A health plan whose premiums are constrained by paragraph (d), clause ~~(i)~~ (1), may take the constraint into account in establishing its community rate.

(f) From January 1, 1993 to February 28, 1993, a health plan may, at the health carrier's option, charge the community rate under this paragraph or may instead charge premiums permitted as of December 31, 1992.

Sec. 2. Minnesota Statutes 2024, section 62A.31, subdivision 1w, is amended to read:

Subd. 1w. **Open enrollment.** A medicare supplement policy or certificate must not be sold or issued to an ~~eligible~~ individual outside of the time periods described in ~~subdivision~~ subdivisions 1h and 1u.

Sec. 3. **[62A.481] LIMITED LONG-TERM CARE INSURANCE.**

Subdivision 1. **Short title.** This section may be known and cited as the "Limited Long-Term Care Insurance Act."

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Applicant" means:

(1) in the case of an individual limited long-term care insurance policy, the person who seeks to contract for benefits; or

(2) in the case of a group limited long-term care insurance policy, the proposed certificate holder.

(c) "Certificate" means a certificate issued under a group limited long-term care insurance policy that has been delivered or issued for delivery in Minnesota.

(d) "Commissioner" means the commissioner of commerce.

(e) "Elimination period" means the length of time between meeting the eligibility for benefit payment and receiving benefit payments from an insurer.

(f) "Group limited long-term care insurance" means a limited long-term care insurance policy that is delivered or issued for delivery in Minnesota and issued to:

(1) one or more employers or labor organizations, a trust or the trustees of a fund established by one or more employers, labor organizations, or a combination of employers and labor organizations for: (i) employees, former employees, or a combination of employees or former employees; or (ii) members, former members, or a combination of members or former members of the labor organizations;

(2) a professional, trade, or occupational association for the association's members, former members, retired members, or a combination of members, former members, or retired members, if the association:

(i) is composed of individuals, all of whom are or were actively engaged in the same profession, trade, or occupation; and

(ii) has been maintained in good faith for purposes other than obtaining insurance;

(3) an association, a trust, or the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. Prior to advertising, marketing, or offering the policy within Minnesota, the association or associations, or the insurer of the association or associations, must file evidence with the commissioner that the association or associations have at the outset:

(i) a minimum of 100 persons;

(ii) been organized and maintained in good faith for purposes other than obtaining insurance;

(iii) been in active existence for at least one year; and

(iv) a constitution and bylaws that provide:

(A) the association or associations hold regular meetings not less than annually to further purposes of the members;

(B) except for credit unions, the association or associations collect dues or solicit contributions from members; and

(C) the members have voting privileges and representation on the governing board and committees.

Thirty days after the filing, the association or associations are deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association or associations do not satisfy the organizational requirements; or

(4) a group other than a group described in clauses (1) to (3), subject to the commissioner finding that:

(i) issuing the policy is not contrary to the public interest;

(ii) issuing the policy results in acquisition or administrative economies; and

(iii) the policy's benefits are reasonable in relation to the premiums charged.

(g) "Limited long-term care insurance" means an insurance policy or rider:

(1) issued by: (i) an insurer; (ii) a fraternal benefit society; (iii) a nonprofit health, hospital, or medical service corporation; (iv) a prepaid health plan; (v) a health maintenance organization; or (vi) a similar organization, to the extent the organization is authorized to issue life or health insurance;

(2) advertised, marketed, offered, or designed to provide coverage for less than 12 consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis; and

(3) for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care service provided in a setting other than a hospital's acute care unit.

Limited long-term care insurance includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. Limited long-term care insurance does not include an insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident-only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

(h) "Policy" means a policy, contract, subscriber agreement, rider, or endorsement delivered or issued for delivery in Minnesota by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service corporation; prepaid health plan; health maintenance organization; or any similar organization.

(i) "Waiting period" means the time an insured individual must wait before some or all of the insured individual's coverage becomes effective.

Subd. 3. **Scope.** (a) This section applies to policies delivered or issued for delivery in Minnesota on or after January 1, 2026. This section does not supersede an obligation that an entity subject to this section has to comply with other applicable insurance laws to the extent the other insurance laws do not conflict with this section, except that laws and regulations designed and intended to apply to Medicare supplement insurance policies must not be applied to limited long-term care insurance.

(b) Notwithstanding any other provision of this section, a product, policy, certificate, or rider advertised, marketed, or offered as limited long-term care insurance is subject to this section.

Subd. 4. **Group limited long-term care insurance; extra-territorial jurisdiction.** Group limited long-term care insurance coverage must not be offered to a Minnesota resident under a group policy issued in another state to a group described in subdivision 2, paragraph (f), clause (4), unless Minnesota or another state having statutory and regulatory limited long-term care insurance requirements substantially similar to those adopted in Minnesota makes a determination that the statutory and regulatory limited long-term care insurance requirements have been met.

Subd. 5. **Limited long-term care insurance; disclosure and performance standards.** (a) A limited long-term care insurance policy must not:

(1) cancel, not renew, or otherwise terminate on the basis of the insured individual's or certificate holder's age, gender, or deterioration of mental or physical health;

(2) contain a provision that establishes a new waiting period in the event existing coverage is converted to or replaced by a new or other form of coverage within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) provide coverage for only skilled nursing care or provide significantly more coverage for skilled nursing care in a facility than coverage provided for lower levels of care.

(b) A limited long-term care insurance policy or certificate issued to a group identified in subdivision 2, paragraph (f), clauses (2) to (4), is prohibited from: (1) using a definition for preexisting condition that is more restrictive than or excludes a condition for which medical advice or treatment was recommended by or received from a health care services provider within the six months preceding the date an insured individual's coverage is effective; and (2) excluding coverage for a loss or confinement that is the result of a preexisting condition unless the loss or confinement begins within six months of the date an insured individual's coverage is effective. The commissioner may extend the limitation periods established in clauses (1) and (2) with respect to specific age group categories in specific policy forms upon a finding that the extension is in the public interest. The definition of preexisting condition required under clause (1) does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant and, on the basis of the applicant's answers on the application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, an insurer is not required to cover a preexisting condition, regardless of whether the preexisting condition is disclosed on the application, until the waiting period under clause (2) expires. A limited long-term care insurance policy or certificate is prohibited from excluding or using waivers or riders of any kind to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period established in clause (2).

(c) A limited long-term care insurance policy must not be delivered or issued for delivery in Minnesota if the policy conditions eligibility: (1) for any benefits, on a prior hospitalization requirement; (2) for benefits provided in an institutional care setting, on the receipt of a higher level of institutional care; or (3) for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits, on a prior institutionalization requirement. A limited long-term care insurance policy, certificate, or rider is prohibited from conditioning eligibility for noninstitutional benefits on the prior or continuing receipt of skilled care services.

(d) A limited long-term care insurance applicant has the right to: (1) return the policy, certificate, or rider to the company or the company's agent or insurance producer within 30 days of the date the policy, certificate, or rider is received; and (2) have the premium refunded if, after examination of the policy, certificate, or rider, the applicant is not satisfied with the policy, certificate, or rider for any reason.

(e) A limited long-term care insurance policy, certificate, or rider must have a notice prominently printed on the first page or attached to the policy, certificate, or rider that includes specific instructions for a limited long-term care insurance applicant to return a policy, certificate, or rider under paragraph (d). The following statement or a substantially similar statement must be included with the instructions:

"You have 30 days from the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide to not keep the policy, certificate, or rider, simply return it to the company at the company's administrative office, or you may return it to the agent or insurance producer that you bought it from. You must return the policy, certificate, or rider within 30 days of the date you first received it. The company must refund the full amount of any premium paid within 30 days of the date the company receives the returned policy, certificate, or rider. The premium refund is sent directly to the person who paid it. A returned policy, certificate, or rider is void, as if it never was issued."

This paragraph does not apply to certificates issued pursuant to a policy issued to a group defined in subdivision 2, paragraph (f), clause (1).

(f) A coverage outline must be delivered to a prospective applicant for limited long-term care insurance at the time an initial solicitation is made, using a means that prominently directs the recipient's attention to the coverage outline and the coverage outline's purpose. The commissioner must prescribe: (1) a standard format, including style, arrangement, and overall appearance; and (2) the content that must be contained on a coverage outline. With respect to an agent solicitation, the agent must deliver the coverage outline before presenting an application or enrollment form. With respect to a direct response solicitation, the coverage outline must be provided in conjunction with an application or enrollment form. Delivery of a coverage outline is not required for a policy issued to a group defined in subdivision 2, paragraph (f), clause (1), if the information described in paragraph (g) is contained in other materials relating to enrollment. A copy of the other materials must be made available to the commissioner upon request.

(g) The coverage outline provided under paragraph (f) must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a description of the eligibility triggers for benefits and how the eligibility triggers are met;

(3) a statement identifying the principal exclusions, reductions, and limitations contained in the policy;

(4) a statement describing the terms under which the policy, certificate, or both may be continued in force or discontinued, including any reservation in the policy of a right to change premium. A continuation or conversion provision for group coverage must be specifically described;

(5) a statement indicating that coverage outline is a summary only and not an insurance contract, and that the policy or group master policy contains the governing contractual provisions;

(6) a description of the terms under which the policy or certificate may be returned and premium refunded;

(7) a brief description of the relationship between cost of care and benefits; and

(8) a statement that discloses to the policyholder or certificate holder that the policy is not long-term care insurance.

(h) A certificate issued pursuant to a group limited long-term care insurance policy that is delivered or issued for delivery in Minnesota must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a statement identifying the principal exclusions, reductions, and limitations contained in the policy; and

(3) a statement indicating that the group master policy determines governing contractual provisions.

(i) If an application for a limited long-term care insurance contract or certificate is approved, the issuer must deliver the contract or certificate of insurance to the applicant no later than 30 days after the date the application is approved.

(j) If a claim under a limited long-term care insurance contract is denied, the issuer must, within 60 days of the date the policyholder, certificate holder, or a representative of the policyholder or certificate holder submits a written request:

(1) provide a written explanation detailing the reasons for the denial; and

(2) make available all information directly related to the denial.

(k) A disclosure, statement, or written information and explanation required in this section, whether in print or electronic form, must accommodate the communication needs of individuals with disabilities and persons with limited English proficiency, as required by law.

Subd. 6. **Incontestability period.** (a) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for less than six months upon a showing of misrepresentation that is material to the coverage acceptance.

(b) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for at least six months but less than two years upon a showing of misrepresentation that is both material to the coverage acceptance and that pertains to the condition for which benefits are sought.

(c) A policy or certificate that has been in force for two years is not contestable upon the grounds of misrepresentation alone. A policy or certificate that has been in force for two years may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured individual's health.

(d) A limited long-term care insurance policy or certificate may be field issued if compensation to the field issuer is not based on the number of policies or certificates issued. For purposes of this

paragraph, "field issued" means a policy or certificate issued by a producer or a third-party administrator (1) pursuant to the underwriting authority granted to the producer or third-party administrator by an insurer, and (2) using the insurer's underwriting guidelines.

(e) If an insurer paid benefits under the limited long-term care insurance policy or certificate, the benefit payments are not recoverable by the insurer if the policy or certificate is rescinded.

Subd. 7. **Nonforfeiture benefits.** (a) A limited long-term care insurance policy may offer the option to purchase a policy or certificate that includes a nonforfeiture benefit. A nonforfeiture benefit may be offered in the form of a rider that is attached to the policy. If the policyholder or certificate holder does not purchase the nonforfeiture benefit, the insurer must provide a contingent benefit upon lapse that must be available for a specified period of time after a substantial increase in premium rates, as determined by the commissioner under paragraph (c).

(b) When a group limited long-term care insurance policy is issued, a nonforfeiture benefit offer must be made to the group policyholder. If the policy is issued as group limited long-term care insurance, as defined in subdivision 2, paragraph (f), clause (4), to an entity other than a continuing care retirement community or other similar entity, a nonforfeiture benefit offer must be made to each proposed certificate holder.

Subd. 8. **Severability.** If any provision of this section or the application of the provision to any person or circumstance is held invalid for any reason, the remainder of the section and the application of the invalid provision to other persons or circumstances is not affected.

Subd. 9. **Penalties.** In addition to any other penalties provided by the laws of Minnesota, an insurer or producer that violates any requirement under this section or other law relating to the regulation of limited long-term care insurance or the marketing of limited long-term care insurance is subject to a fine of up to three times the amount of commissions paid for each policy involved in the violation or up to $10,000, whichever is greater.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 62A.65, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** No health carrier, as defined in section 62A.011, shall offer, sell, issue, or renew any individual health plan, as defined in section 62A.011, to a Minnesota resident except in compliance with this section. ~~This section does not apply to the Comprehensive Health Association established in section 62E.10.~~

Sec. 5. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** (a) No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan, except for nonpayment of premiums, fraud, or intentional misrepresentation of a material fact.

(b) A health carrier may elect to discontinue health plan coverage of an individual in the individual market only, in one or more of the following situations:

(1) the health carrier is ceasing to offer individual health plan coverage in the individual market in accordance with sections 62A.65, subdivision 8, and 62E.11, subdivision 9, and federal law;

(2) for network plans, the individual no longer resides, lives, or works in the service area of the health carrier, or the area for which the health carrier is authorized to do business, but only if coverage is terminated uniformly without regard to any health-status-related factor of covered individuals; or

(3) a decision by the health carrier to discontinue offering a particular type of individual health plan if it meets the following requirements:

(i) provides notice in writing to each individual provided coverage of that type of health plan at least 90 days before the date the coverage is discontinued;

(ii) provides notice to the department at least 30 business days before the issuer or health carrier provides notice to the individuals under item (i);

(iii) offers to each covered individual, on a guaranteed issue basis, the option to purchase any other individual health plan currently being offered by the health carrier or related health carrier for individuals in that market; and

(iv) acts uniformly without regard to any health status-related factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

Sec. 6. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Uniform modification of plan.** (a) Only at the time of coverage renewal may a health carrier modify the health plan for a product, as defined under Code of Federal Regulations, title 45, section 144.103, offered to an individual in the individual market if the modification is effective uniformly for all individuals with that product.

(b) For purposes of paragraph (a), modifications made uniformly and solely pursuant to applicable federal or state requirements are considered a uniform modification of coverage if:

(1) the modification is made within a reasonable time period after the imposition or modification of the federal or state requirement; and

(2) the modification is directly related to the imposition or modification of the federal or state requirement.

(c) Other types of modifications made uniformly are considered a uniform modification of coverage if the health plan for the product in the individual market meets all of the following criteria:

(1) the product is offered by the same health carrier;

(2) the product is offered as the same product network type, which includes but is not limited to a health maintenance organization, preferred provider organization, exclusive provider organization, point of service, or indemnity;

(3) the product continues to cover at least a majority of the same service area;

(4) within the product, each health plan has the same cost-sharing structure as before the modification, except for any variation in cost sharing solely related to changes in cost and utilization of medical care, or to maintain the same metal level, as defined in section 62K.06, subdivision 4; and

(5) the product provides the same covered benefits, except for any changes in benefits that cumulatively impact the plan-adjusted index rate as defined under Code of Federal Regulations, title 45, section 144.103, for any health plan within the product within an allowable variation of plus or minus two percentage points, not including changes pursuant to applicable federal or state requirements.

Sec. 7. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 8. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 9. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 10. Minnesota Statutes 2024, section 62J.26, subdivision 1, is amended to read:

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

(1) "commissioner" means the commissioner of commerce;

(2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

(3) "health plan" means a health plan as defined in section 62A.011, subdivision 3, but includes coverage listed in clauses (7) and (10) of that definition;

(4) "mandated health benefit proposal" or "proposal" means a proposal that would statutorily require a health plan company to do the following:

(i) provide coverage or increase the amount of coverage for the treatment of a particular disease, condition, or other health care need;

(ii) provide coverage or increase the amount of coverage of a particular type of health care treatment or service or of equipment, supplies, or drugs used in connection with a health care treatment or service; or

(iii) provide coverage for care delivered by a specific type of provider; and

~~(iv) require a particular benefit design or impose conditions on cost-sharing for:~~

~~(A) the treatment of a particular disease, condition, or other health care need;~~

~~(B) a particular type of health care treatment or service; or~~

~~(C) the provision of medical equipment, supplies, or a prescription drug used in connection with treating a particular disease, condition, or other health care need; or~~

~~(v) impose limits or conditions on a contract between a health plan company and a health care provider.~~

(5) "Minnesota public health care program" means a public health care program administered by the commissioner of human services under chapters 256B and 256L.

(b) "Mandated health benefit proposal" does not include health benefit proposals:

(1) amending the scope of practice of a licensed health care professional; ~~or~~

(2) that make state law consistent with federal law; or

(3) that apply exclusively to Minnesota public health care programs.

Sec. 11. Minnesota Statutes 2024, section 62J.26, subdivision 2, is amended to read:

Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with the commissioners of health, human services, and management and budget, must evaluate all mandated health benefit proposals as provided under subdivision 3.

(b) The purpose of the evaluation is to provide the legislature with a complete and timely analysis of all ramifications of any mandated health benefit proposal. The evaluation must include, in addition to other relevant information, the following to the extent applicable:

(1) scientific and medical information on the mandated health benefit proposal, on the potential for harm or benefit to the patient, and on the comparative benefit or harm from alternative forms of treatment, and must include the results of at least one professionally accepted and controlled trial comparing the medical consequences of the proposed therapy, alternative therapy, and no therapy;

(2) public health, economic, and fiscal impacts of the mandated health benefit proposal on persons receiving health services in Minnesota, on persons receiving health services in a Minnesota public health care program, on the relative cost-effectiveness of the proposal, and on the health care system in general;

(3) the extent to which the treatment, service, equipment, or drug is generally utilized by a significant portion of the population and used in the Minnesota public health care programs;

(4) the extent to which insurance coverage for the mandated health benefit proposal is already generally available and available in the Minnesota public health care programs;

(5) the extent to which the mandated health benefit proposal, by health plan category, would apply to the benefits offered to the health plan's enrollees and enrollees in the Minnesota public health care programs;

(6) the extent to which the mandated health benefit proposal will increase or decrease the cost of the treatment, service, equipment, or drug;

(7) the extent to which the mandated health benefit proposal may increase enrollee premiums; and

(8) if the proposal applies to a qualified health plan as defined in section 62A.011, subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal using commercial market reimbursement rates in accordance with Code of Federal Regulations, title 45, section 155.170.

(c) The commissioner shall consider actuarial analysis done by health plan companies and any other proponent or opponent of the mandated health benefit proposal in determining the cost of the proposal.

(d) The commissioner must summarize the nature and quality of available information on these issues, and, if possible, must provide preliminary information to the public. The commissioner may conduct research on these issues or may determine that existing research is sufficient to meet the informational needs of the legislature. The commissioner may seek the assistance and advice of researchers, community leaders, or other persons or organizations with relevant expertise. The commissioner must provide the public with at least 45 days' notice when requesting information

pursuant to this section. The commissioner must notify the chief authors of a bill when a request for information is issued.

(e) Information submitted to the commissioner pursuant to this section that meets the definition of trade secret information, as defined in section 13.37, subdivision 1, paragraph (b), is nonpublic data.

(f) The commissioner must publish all evaluations conducted under this section on a publicly available website within 30 days of the evaluation's completion.

Sec. 12. Minnesota Statutes 2024, section 62J.26, subdivision 3, is amended to read:

Subd. 3. **Requirements for evaluation.** (a) No later than August 1 of the year preceding the legislative session in which ~~a~~ an incumbent legislator is planning on introducing a bill containing a mandated health benefit proposal~~,~~ or is planning on offering an amendment to a bill that adds a mandated health benefit, the prospective author must notify the chair of one of the standing legislative committees that have jurisdiction over the subject matter of the proposal. No later than 15 days after notification is received, the chair must notify the commissioner that an evaluation of a mandated health benefit proposal is required to be completed in accordance with this section in order to inform the legislature before any action is taken on the proposal by either house of the legislature.

(b) The commissioner must conduct an evaluation described in subdivision 2 of each mandated health benefit proposal for which an evaluation is required under paragraph (a).

(c) If the evaluation of multiple proposals are required, the commissioner must consult with the chairs of the standing legislative committees having jurisdiction over the subject matter of the mandated health benefit proposals to prioritize the evaluations and establish a reporting date for each proposal to be evaluated.

(d) By December 31 of the year in which a mandated health benefit proposal, for which an evaluation described in subdivision 2 has not been conducted, is enacted, the commissioner must conduct an evaluation described in subdivision 2. The evaluation required by this paragraph applies to mandated health benefit proposals:

(1) introduced or offered by a legislator who was not seated by the deadline for notification under paragraph (a);

(2) enacted without conformity to paragraph (a); or

(3) for which an evaluation was required under paragraph (b) but was not conducted.

Sec. 13. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 6. **Conformity.** A mandated health benefit proposal enacted into law is effective whether or not it is in conformity with this section.

Sec. 14. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 7. **Adoption of forms.** (a) The commissioner of commerce must adopt forms, by July 1, 2026, for the following:

(1) an incumbent legislator to notify the chair of the mandated health benefit proposal under subdivision 3, paragraph (a); and

(2) the chair to notify the commissioner of the mandated health benefit proposal under subdivision 3, paragraph (a).

(b) The forms adopted under this subdivision must include all information needed from the legislator introducing or offering the mandated health benefit proposal for the commissioner to conduct the required evaluation.

ARTICLE 4

GENERAL INSURANCE

Section 1. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **General powers.** (a) In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

(4) conduct investigations and hold hearings for the purpose of compiling information related to the duties and responsibilities entrusted to the commissioner;

(5) examine the books, accounts, records, and files of every licensee, and of every person who is engaged in any activity regulated; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner;

(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction; ~~and~~

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by the commissioner and is based on the salary cost of investigators or assistants and at an average rate per day or fraction

thereof so as to provide for the total cost of the investigation. All money collected must be deposited into the general fund. A natural person or entity licensed under chapter 60K, 82, or 82B shall not be charged costs of an investigation if the investigation results in no finding of a violation. This clause does not apply to a natural person or entity already subject to the assessment provisions of sections 60A.03 and 60A.031.; and

(9) issue data calls.

(b) For purposes of this section, "data call" means a written request from the commissioner to two or more companies or persons subject to the commissioner's jurisdiction to provide data or other information within a reasonable time period for a targeted regulatory oversight purpose. A data call is not market analysis, as defined under section 60A.031, subdivision 4, paragraph (f), and is not subject to section 60A.033.

Sec. 2. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner or the commissioner's authorized representative: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. The commissioner may create and make public summary data derived from data classified as nonpublic under this paragraph.

(b) The commissioner may grant access to data submitted by insurers in response to a data call issued by the commissioner or the commissioner's authorized representative to the National Association of Insurance Commissioners (NAIC) if NAIC agrees in writing to hold the data as nonpublic data.

Sec. 3. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

Subd. 2. **Power to compel production of evidence.** For the purpose of any investigation, hearing, proceeding, or inquiry related to the duties and responsibilities entrusted to the commissioner, the commissioner or a designated representative may issue data calls, administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

A subpoena issued pursuant to this subdivision must state that the person to whom the subpoena is directed may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to law enforcement personnel except:

(1) insofar as the disclosure is necessary to find and disclose the records; or

(2) pursuant to court order.

Sec. 4. Minnesota Statutes 2024, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. **Maximum interest rate.** (a) No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate in an amount equal to the ~~Federal National Mortgage Association posted yields on 30-year mortgage~~

~~commitments for delivery within 60 days on standard conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month~~ average prime offer rate, as defined in Code of Federal Regulations, title 12, part 1026.35(a)(2), that applies to a comparable transaction, as most recently published by the United States Consumer Financial Protection Bureau on the last date the discounted interest rate for the transaction is set before consummation, plus four percentage points. If the index is not available, a substitute index may be adopted by a commissioner order.

(b) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

(c) The maximum interest rate that can be charged on a conventional loan or a contract for deed, with a duration of ten years or less, for the purchase of real estate described in section 83.20, subdivisions 11 and 13, is three percentage points above the rate permitted under paragraph (a) or 15.75 percent per year, whichever is less. ~~This paragraph is effective August 1, 1992.~~

(d) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of: (1) an existing conventional or cooperative apartment loan, (2) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration, or (3) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of paragraph (b) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(e) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 5. Minnesota Statutes 2024, section 60A.201, subdivision 2, is amended to read:

Subd. 2. **Availability of other coverage; presumption.** There shall be a rebuttable presumption that the following coverages are available from a licensed insurer:

~~(a)~~ (1) all mandatory automobile insurance coverages required by chapter 65B;

~~(b)~~ (2) private passenger automobile physical damage coverage;

~~(c)~~ (3) homeowners and property insurance on owner-occupied dwellings whose value is less than $500,000~~. This figure shall be changed annually by the commissioner by the same percentage as the Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area is changed~~;

~~(d)~~ (4) any coverage readily available from three or more licensed insurers unless the licensed insurers quote a premium and terms not competitive with a premium and terms quoted by an eligible surplus lines insurer; and

~~(e)~~ (5) workers' compensation insurance, except excess workers' compensation insurance which is not available from the Workers' Compensation Reinsurance Association.

Sec. 6. Minnesota Statutes 2024, section 60A.201, is amended by adding a subdivision to read:

Subd. 7. **FAIR plan coverage; notice.** If the insurance placed by the surplus lines broker with a nonadmitted insurer is homeowners or property insurance on an owner-occupied dwelling, the broker must print, type, or stamp in not less than ten-point type on the face of the policy the following notice: "YOU MAY BE ELIGIBLE FOR COVERAGE THROUGH THE MINNESOTA FAIR PLAN, WHICH MAKES AVAILABLE PROPERTY AND LIABILITY COVERAGE, AS DEFINED BY THE MINNESOTA FAIR PLAN ACT, TO QUALIFIED APPLICANTS WHO HAVE BEEN UNABLE TO SECURE PROPERTY AND LIABILITY INSURANCE THROUGH THE NORMAL INSURANCE MARKETS." The notice under this subdivision must not be covered or concealed in any manner, and is in addition to the notice required under section 60A.207 or 60A.209.

Sec. 7. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 8. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 9. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 10. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

Sec. 11. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means a NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, scope criteria, instructions, and reporting template being adopted by the NAIC, and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 12. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include any joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

Sec. 13. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test framework, means the designated exposure bases along with minimum magnitudes of the designated exposure bases for the specified data year that are used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.

Sec. 14. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** In addition to investments in common stock, preferred stock, debt obligations, and other securities otherwise permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries and health maintenance organizations must be excluded, and there must be included:

(1) total net money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

(2) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities; and all contributions to the capital or surplus~~,~~ of a subsidiary subsequent to its acquisition or formation.

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer provided that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~ do not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) or other statutes applicable to the insurer. For the purpose of this paragraph, "the total investment of the insurer" includes:

(1) any direct investment by the insurer in an asset; and

(2) the insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary.

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

Sec. 15. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into,

or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction. The information must remain confidential until the conclusion of the transaction unless the commissioner, in the commissioner's discretion, determines that confidential treatment interferes with the enforcement of this section. This paragraph does not apply if the statement referred to in paragraph (a) is otherwise filed.

(c) With respect to a transaction subject to this section, the acquiring person must also file a preacquisition notification with the commissioner, which must contain the information set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification may be subject to penalties specified in section 60D.18, subdivision 5.

(d) For purposes of this section, a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this section, "person" does not include any securities broker holding, in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting securities of an insurance company or of any person that controls an insurance company.

~~(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must remain confidential until the transaction is approved by the commissioner, except that all attachments filed with the statement remain confidential after the approval unless the commissioner, in the commissioner's discretion, determines that confidential treatment of any of this information will interfere with enforcement of this section.~~

Sec. 16. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this section in the same manner as provided in section 60D.22.

(b) The preacquisition notification must be in the form and contain the information as prescribed by the National Association of Insurance Commissioners relating to those markets that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be exempted from the provisions of this section. The commissioner may require ~~the~~ additional material and information as the commissioner deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subdivision 4. The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied

by a summary of the education and experience of the person indicating that person's ability to render an informed opinion.

(c) The waiting period required begins on the date of receipt of the commissioner of a preacquisition notification and ends on the earlier of the 30th day after the date of its receipt, or termination of the waiting period by the commissioner. Before the end of the waiting period, the commissioner on a onetime basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

Sec. 17. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

Subd. 4. **Materiality.** No information need be disclosed on the registration statement filed pursuant to subdivision 2 if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise; sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section. The definition of materiality provided in this subdivision does not apply for purposes of the group capital calculation or the NAIC liquidity stress test framework.

Sec. 18. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph, the ultimate controlling person of every insurer subject to registration must concurrently file with the registration an annual group capital calculation as directed by the lead state insurance commissioner. The report must be completed in accordance with the NAIC group capital calculation instructions, which may permit the lead state insurance commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report must be filed with the lead state insurance commissioner of the insurance holding company system, as determined by the commissioner in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC. The following insurance holding company systems are exempt from filing the group capital calculation:

(1) an insurance holding company system that (i) has only one insurer within the insurance holding company system's holding company structure, (ii) only writes business and is only licensed in the insurance holding company system's domestic state, and (iii) assumes no business from any other insurer;

(2) an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The lead state insurance commissioner must request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation with the lead state insurance commissioner, the insurance holding company system is not exempt from the group capital calculation filing;

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

(i) that provides information to the lead state insurance commissioner that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the groupwide supervisor, that has determined the information is satisfactory to allow the lead state insurance commissioner to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction recognizes and accepts, as specified by the commissioner in an administrative rule, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in that jurisdiction.

(b) Notwithstanding paragraph (a), clauses (3) and (4), a lead state insurance commissioner must require the group capital calculation for the United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, requiring the group capital calculation is deemed appropriate by the lead state insurance commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions from filing the group capital calculation under paragraph (a), the lead state insurance commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the commissioner in an administrative rule.

(d) If the lead state insurance commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the lead state insurance commissioner based on reasonable grounds shown.

Sec. 19. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC liquidity stress test framework must file the results of a specific year's liquidity stress test. The filing must be made to the lead state insurance commissioner of the insurance holding company system, as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

(b) The NAIC liquidity stress test framework includes scope criteria applicable to a specific data year. The scope criteria must be reviewed at least annually by the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any change made to the NAIC liquidity stress test framework or to the data year for which the scope criteria must be measured is effective January 1 of the year following the calendar year in which the change is adopted. An insurer meeting at least one threshold of the scope criteria is scoped into the NAIC liquidity stress test framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should not be scoped into the framework for that data year. An insurer that does not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity stress

test framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should be scoped into the framework for the specified data year.

(c) The commissioner and other state insurance commissioners must avoid scoping insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, must assess irregular scope status as part of an insurer's determination.

(d) The performance of and filing of the results from a specific year's liquidity stress test must comply with (1) the NAIC liquidity stress test framework's instructions and reporting templates for the specific year, and (2) any lead state insurance commissioner determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, provided within the framework.

Sec. 20. **[60D.195] GROUP CAPITAL CALCULATION.**

Subdivision 1. **Annual group capital calculation; exemption permitted.** The lead state insurance commissioner may exempt the ultimate controlling person from filing the annual group capital calculation if the lead state insurance commissioner makes a determination that the insurance holding company system meets the following criteria:

(1) has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000;

(2) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(3) has no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within the insurance holding company's structure;

(4) attests that no material changes in the transactions between insurers and noninsurers in the group have occurred since the last annual group capital filing; and

(5) the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 2. **Limited group capital filing.** The lead state insurance commissioner may accept a limited group capital filing in lieu of the group capital calculation if:

(1) the insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000; and

(2) the insurance holding company system:

(i) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(ii) does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and

(iii) attests that no material changes in transactions between insurers and noninsurers in the group have occurred and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the lead state insurance commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

(1) an insurer within the insurance holding company system is in a risk-based capital action level event under section 60A.62 or a similar standard for a non-United States insurer;

(2) an insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined under section 60E.02, subdivision 5; or

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the lead state insurance commissioner based on unique circumstances, including but not limited to the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United States jurisdiction is deemed to recognize and accept the group capital calculation if the non-United States jurisdiction:

(1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

(i) recognizes the United States state regulatory approach to group supervision and group capital by providing confirmation by a competent regulatory authority in the non-United States jurisdiction that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential insurance group supervision, including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state; and (B) are not subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(ii) if no United States insurance group operates in the non-United States jurisdiction, indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. The formal indication under this item serves as the documentation otherwise required under item (i); and

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the lead state insurance commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the lead state insurance commissioner determine what insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the lead state insurance commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the lead state insurance commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the lead state insurance commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the lead state insurance commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 21. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

Subdivision 1. **Transactions within an insurance holding company system.** (a) Transactions within an insurance holding company system to which an insurer subject to registration is a party are subject to the following standards:

(1) the terms shall be fair and reasonable;

(2) agreements for cost-sharing services and management shall include the provisions required by rule issued by the commissioner;

(3) charges or fees for services performed shall be reasonable;

(4) expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(5) the books, accounts, and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions including this accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; ~~and~~

(6) the insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs~~.~~;

(7) if the commissioner determines an insurer subject to this chapter is in a hazardous financial condition, as defined under section 60E.02, subdivision 5, or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, the commissioner may require the insurer to secure and maintain either a deposit, held by the commissioner, or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for the duration of the contract, agreement, or the existence of the condition for which the commissioner required the deposit or bond. When determining whether a deposit or bond is required, the commissioner must consider whether concerns exist with respect to the affiliated person's ability to fulfill the contract or agreement if the insurer entered into liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, and a deposit or bond is necessary, the commissioner may determine the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether the deposit or bond is required for a single contract, multiple contracts, or a contract only with a specific person or persons;

(8) all of an insurer's records and data held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. For purposes of this clause, records and data include all records and data that are otherwise the property of the insurer in whatever form maintained, including but not limited to claims and claim files, policyholder lists, application files, litigation files, premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

(9) premiums or other funds belonging to the insurer that are collected or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to chapter 576.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously

filed pursuant to this section, which are subject to any materiality standards contained in clauses (1) to (7), may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least 30 days prior thereto, or a shorter period the commissioner permits, and the commissioner has not disapproved it within this period. The notice for amendments or modifications must include the reasons for the change and the financial impact on the domestic insurer. Informal notice must be reported, within 30 days after a termination of a previously filed agreement, to the commissioner for determination of the type of filing required, if any:

(1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(3) reinsurance agreements or modifications to those agreements, including: (i) all reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates of the insurer;

(4) all management agreements, service contracts, tax allocation agreements, guarantees, and all cost-sharing arrangements;

(5) guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this paragraph unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten percent of surplus as regards policyholders as of the 31st day of December next preceding. Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this paragraph;

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

(7) any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

(d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider whether the transactions comply with the standards set forth in paragraph (a), and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within 30 days of any investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(f) An affiliate that is party to an agreement or contract with a domestic insurer that is subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are: (1) an integral part of the insurer's operations, including but not limited to management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill the insurer's obligations under insurance policies. The commissioner may require that an agreement or contract pursuant to paragraph (b), clause (4), to provide the services described in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided under this paragraph.

Sec. 22. Minnesota Statutes 2024, section 60D.217, is amended to read:

60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS.

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

(1) does not have substantial insurance operations in the United States;

(2) has substantial insurance operations in the United States, but not in this state; or

(3) has substantial insurance operations in the United States and this state, but the commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b) and (f) that the other regulatory official is the appropriate groupwide supervisor.

An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the commissioner make a determination or acknowledgment as to a groupwide supervisor pursuant to this section.

(b) In cooperation with other state, federal, and international regulatory agencies, the commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active insurance group. The commissioner may determine that the commissioner is the appropriate groupwide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the commissioner may acknowledge that a regulatory official from another jurisdiction is the appropriate groupwide supervisor for the internationally active insurance group. The commissioner shall consider the following factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

(1) the place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group's written premiums, assets, or liabilities;

(2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group;

(3) the location of the executive offices or largest operational offices of the internationally active insurance group;

(4) whether another regulatory official is acting or is seeking to act as the groupwide supervisor under a regulatory system that the commissioner determines to be:

(i) substantially similar to the system of regulation provided under the laws of this state; or

(ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk analysis, and cooperation with other regulatory officials; and

(5) whether another regulatory official acting or seeking to act as the groupwide supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

However, a commissioner identified under this section as the groupwide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the groupwide supervisor. The acknowledgment of the groupwide supervisor shall be made after consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(c) Notwithstanding any other provision of law, when another regulatory official is acting as the groupwide supervisor of an internationally active insurance group, the commissioner shall acknowledge that regulatory official as the groupwide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities; or

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group,

the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

(d) Pursuant to section 60D.21, the commissioner is authorized to collect from any insurer registered pursuant to section 60D.19 all information necessary to determine whether the commissioner may act as the groupwide supervisor of an internationally active insurance group or if the commissioner may acknowledge another regulatory official to act as the groupwide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to groupwide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than 30 days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish in the State Register and on the department's website the identity of internationally active insurance groups that the commissioner has determined are subject to groupwide supervision by the commissioner.

(e) If the commissioner is the groupwide supervisor for an internationally active insurance group, the commissioner is authorized to engage in any of the following groupwide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(i) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(ii) reasonable and effective mitigation measures are in place; or

(2) request, from any member of an internationally active insurance group subject to the commissioner's supervision, information necessary and appropriate to assess enterprise risk, including but not limited to information about the members of the internationally active insurance group regarding:

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of ~~such~~ the internationally active insurance group that are engaged in the business of insurance;

(4) communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 60D.22, through supervisory colleges as set forth in section 60D.215 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the commissioner's role as groupwide supervisor, including provisions for resolving disputes with other regulatory officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state; and

(6) other groupwide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the commissioner.

(f) If the commissioner acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the groupwide supervisor, the commissioner is authorized to reasonably cooperate, through supervisory colleges or otherwise, with groupwide supervision undertaken by the groupwide supervisor, provided that:

(1) the commissioner's cooperation is in compliance with the laws of this state; and

(2) the regulatory official acknowledged as the groupwide supervisor also recognizes and cooperates with the commissioner's activities as a groupwide supervisor for other internationally active insurance groups where applicable. Where ~~such~~ recognition and cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is authorized to refuse recognition and cooperation.

(g) The commissioner is authorized to enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as groupwide supervisor.

(h) A registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the commissioner's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses.

Sec. 23. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); ~~60D.18;~~ 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance

of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any United States groupwide supervisor.

(c) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-United States groupwide supervisors.

Sec. 24. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

Subd. 3. **Sharing of information.** In order to assist in the performance of the commissioner's duties, the commissioner:

(1) may share documents, materials, or other information, including the confidential, protected nonpublic, and privileged documents, materials, or information subject to this section, including proprietary and trade secret documents and materials, with: (i) other state, federal, and international regulatory agencies~~, with~~; (ii) the NAIC ~~and its affiliates and subsidiaries,~~; (iii) any third-party consultants designated by the commissioner; and ~~with~~ (iv) state, federal, and international law enforcement authorities, including members of any supervisory college described in section 60D.215, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information, and has verified in writing the legal authority to maintain confidentiality;

(2) notwithstanding clause (1), may only share confidential, protected nonpublic, and privileged documents, materials, or information reported pursuant to section 60D.19, subdivision 11a, with commissioners of states having statutes or regulations substantially similar to subdivision 1 and who have agreed in writing not to disclose this information;

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(4) shall enter into written agreements with the NAIC and a third-party consultant designated by the commissioner governing sharing and use of information provided pursuant to sections 60D.15 to 60D.29 consistent with this clause that shall:

(i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators. The agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information, and has verified in writing the legal authority to maintain confidentiality;

(ii) specify that ownership of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with the commissioner and the NAIC's or a third-party consultant's, as designated by the commissioner, use of the information is subject to the direction of the commissioner;

(iii) excluding documents, material, or information reported pursuant to section 60D.19, subdivision 11c, prohibit the NAIC or a third-party consultant designated by the commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29 in a permanent database after the underlying analysis is completed;

~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected nonpublic information in the possession of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or subpoena to the NAIC or a third-party consultant designated by the commissioner for disclosure or production; ~~and~~

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

(vi) for documents, material, or information reported pursuant to section 60D.19, subdivision 11c, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

Sec. 25. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 26. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to read:

Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation and resulting group capital ratio required under section 60D.19, subdivision 11b, and the liquidity stress test along with the liquidity stress test's results and supporting disclosures required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

(b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing, disseminating, circulating, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio, television station, or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker, or other person engaged in any manner in the insurance business is misleading and is prohibited.

(c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written publication if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the commissioner with substantial proof the statement's falsity or inappropriateness. The sole purpose of an announcement under this paragraph must be to rebut the materially false statement.

Sec. 27. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule or order issued by the commissioner may be voted at any shareholder's meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding. No action taken at the meeting shall be invalidated by the voting of the securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this chapter or of any rule or order issued by the commissioner, the insurer or the commissioner may apply to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement, or acquisition made in contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner to enjoin the voting of any security so acquired, to void any vote of the security already cast at any meeting of shareholders and for other equitable relief as the nature of the case and the interest of the insurer's policyholders or the public requires.

Sec. 28. Minnesota Statutes 2024, section 60D.25, is amended to read:

60D.25 RECEIVERSHIP.

Whenever it appears to the commissioner that any person has committed a violation of this chapter that so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in chapter 60B to take possessions of the property of the domestic insurer and to conduct the business of ~~that~~ the domestic insurer.

Sec. 29. Minnesota Statutes 2024, section 62D.221, is amended by adding a subdivision to read:

Subd. 3. **Exception.** Notwithstanding subdivision 1, health maintenance organizations are not subject to oversight under this section with respect to section 60D.20, subdivision 1, paragraphs (a), clauses (7) to (9), and (f).

Sec. 30. Minnesota Statutes 2024, section 65A.01, subdivision 3c, is amended to read:

Subd. 3c. **Time requirements.** (a) In the event of a policy less than 60 days old that is declined, or a policy that it is being canceled for nonpayment of premium, the notice must be mailed to the insured at least ~~20~~ 30 days before the effective cancellation date. If a policy is being declined or canceled for underwriting considerations, the insured must be informed of the source from which the information was received.

(b) In the event of a midterm cancellation, for reasons listed in subdivision 3a, or according to policy provisions, notice must be mailed to the insured at least 30 days before the effective cancellation date.

(c) In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of nonrenewal, containing the specific underwriting or other reason for the indicated actions.

(d) This subdivision does not apply to commercial policies regulated under sections 60A.36 and 60A.37.

Sec. 31. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

Sec. 32. **[168A.1502] INSURER APPLICATION FOR TITLE.**

(a) When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

(b) At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

(c) At least 15 days after notifying the owner and any lienholders under paragraph (b), the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under paragraph (b).

If the insurer or a designated agent does not attest to completing the requirements under clauses (1) to (3), the commissioner must reject the application.

(d) Notwithstanding any outstanding liens, upon proper application and payment of applicable fees, the commissioner must issue a certificate of title, salvage title, or prior salvage title in the name of the insurer. Issuance of a certificate of title, salvage title, or prior salvage title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer and the vehicle is transferred without any liens.

Sec. 33. **[168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.**

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice, by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company, authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover the vehicle within 30 days of the date on which the first notice was sent under subdivision 3, (1) the vehicle is considered abandoned, (2) the vehicle's certificate of title is deemed assigned to the auction company, and (3) without surrendering the certificate of title, the auction company may request, on a form provided by the commissioner, that the commissioner issue a certificate of title that is free of liens.

(b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent by the insurance company required under subdivision 2, and (2) evidence of delivery of the notices sent to the owner and any lienholders required under subdivision 3 or evidence that the notices were undeliverable.

(c) Notwithstanding any outstanding liens against the vehicle, upon proper application and receipt of any fees charged under section 168A.29, the commissioner must issue a certificate of title that is free of liens and bears a salvage or prior salvage brand to the auction company in possession of the vehicle.

Sec. 34. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

Subd. 2. **Contracts of $100,000 or more.** Notwithstanding any law to the contrary, except as stated in section 58.137, and with respect to ~~contracts~~ a conventional loan or contract for deed, section 47.20, subdivision 4a, no limitation on the rate or amount of interest, points, finance charges, fees, or other charges applies to a loan, mortgage, credit sale, or advance made under a written contract, signed by the debtor, for the extension of credit to the debtor in the amount of $100,000 or more, or any written extension and other written modification of the written contract. The written contract, written extension, and written modification are exempt from the other provisions of this chapter.

ARTICLE 5

MISCELLANEOUS COMMERCE POLICY

Section 1. **[45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.**

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

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

(c) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

(e) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(f) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

Subd. 2. **Establishment.** A common interest community ombudsperson position is established within the Department of Commerce to assist unit owners in enforcing their rights and to facilitate resolution of disputes between unit owners and associations. The ombudsperson is appointed by the governor, serves in the unclassified service, and may be removed only for just cause.

Subd. 3. **Qualifications.** The ombudsperson must be selected without regard to political affiliation, must be qualified and experienced to perform the duties of the office, and must be skilled in dispute resolution techniques. The ombudsperson must not be a unit owner, be employed by a business entity that provides management or consulting services to an association, or otherwise be affiliated with an association or management company. A person is prohibited from serving as ombudsperson while holding another public office.

Subd. 4. **Duties.** (a) The ombudsperson must assist unit owners, their tenants, and associations to understand and enforce their rights under chapter 515B and the governing documents of the specific unit owner's association, including by:

(1) creating and publishing plain language explanations of common provisions of common interest community declarations and bylaws; and

(2) publishing materials and providing resources and referrals related to the rights and responsibilities of unit owners and associations.

(b) Upon the request of a unit owner or association, the ombudsperson must provide dispute resolution services, including acting as a mediator, in disputes between a unit owner and an association concerning chapter 515B or the governing documents of the common interest community, except where:

(1) there is a complaint based on the same dispute pending in a judicial or administrative proceeding, or if there is a harassment or restraining order involved; or

(2) the same disputed issue has been addressed or is currently in arbitration, mediation, or another alternative dispute resolution process.

(c) The ombudsperson may provide dispute resolution services for disputes between the tenant of a unit owner and an association, if the unit owner agrees to participate in the dispute resolution process.

(d) The ombudsperson must compile and analyze complaints and inquiries involving common interest communities to identify issues and trends. When assisting a unit owner in enforcing their rights under this section, the ombudsperson may inform them of the existence of other complaints from other unit owners in the same common interest community, subject to subdivision 7.

(e) The ombudsperson must maintain a website containing, at a minimum:

(1) the text of chapter 515B and any other relevant statutes or rules;

(2) information regarding the services provided by the Office of the Common Interest Community Ombudsperson, including assistance with dispute resolution;

(3) information regarding alternative dispute resolution methods and programs; and

(4) any other information that the ombudsperson determines is useful to unit owners, associations, common interest community boards of directors, and common interest community property management companies.

(f) When requested or as the ombudsperson deems appropriate, the ombudsperson must provide reports and recommendations to the legislative committees with jurisdiction over common interest communities.

(g) In the course of assisting to resolve a dispute, the ombudsperson may, at reasonable times, enter and view premises within the control of the common interest community.

Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from rendering a formal legal opinion regarding a dispute between a unit owner and an association. The ombudsperson and commissioner are prohibited from making a formal determination or issuing an order regarding disputes between a unit owner and an association. Nothing in this subdivision limits the ability of the commissioner to execute duties or powers under any other law.

Subd. 6. **Cooperation.** Upon request, unit owners and associations must participate in the dispute resolution process and make good faith efforts to resolve disputes under this section.

Subd. 7. **Data.** Data collected, created, or maintained by the office of the ombudsperson under this section are private data on individuals or nonpublic data.

Subd. 8. **Landlord and tenant law.** Nothing in this section modifies, supersedes, limits, or expands the rights and duties of landlords and tenants established under chapter 504B or any other law.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 80E.12, is amended to read:

80E.12 UNLAWFUL ACTS BY MANUFACTURERS, DISTRIBUTORS, OR FACTORY BRANCHES.

It shall be unlawful for any manufacturer, distributor, or factory branch to require a new motor vehicle dealer to do any of the following:

(a) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law which has not been voluntarily ordered by the new motor vehicle dealer, provided that this paragraph does not modify or supersede reasonable provisions of the franchise requiring the dealer to market a representative line of the new motor vehicles the manufacturer or distributor is publicly advertising;

(b) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law in order for the dealer to obtain delivery of any other motor vehicle ordered by the dealer;

(c) order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer or distributor;

(d) participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, showroom, or other display decorations or materials at the expense of the new motor vehicle dealer;

(e) enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms of the franchise agreement shall not constitute a violation of sections 80E.01 to 80E.17;

(f) change the capital structure of the new motor vehicle dealer or the means by or through which the dealer finances the operation of the dealership; provided, that the new motor vehicle dealer at all times meets any reasonable capital standards agreed to by the dealer; and also provided, that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor as provided in section 80E.13, paragraph (j);

(g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer from changing the executive management control of the new motor vehicle dealer unless the franchisor proves that the change of executive management will result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing reasonable capital standards and, with consideration given to the volume of sales and services of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area; provided, that where the manufacturer, distributor, or factory branch rejects a proposed change in executive management control, the manufacturer, distributor, or factory branch shall give written notice of its reasons to the dealer;

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products or establishment of another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer and that the acquisition or addition is not unreasonable in light of all existing circumstances; provided further that if a manufacturer determines to deny a dealer's request for a change described in this paragraph, such denial must be in writing, must offer an analysis of the grounds for the denial addressing the criteria contained in this paragraph, and must be delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application or documents customarily used by the manufacturer for dealer actions described in this paragraph. If a denial that meets the requirements of this paragraph is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed change.

For purposes of this section and sections 80E.07, subdivision 1, paragraph (c), and 80E.14, subdivision 4, reasonable facilities requirements shall not include a requirement that a dealer establish or maintain

exclusive facilities for the manufacturer of a line make unless determined to be reasonable in light of all existing circumstances or the dealer and the manufacturer voluntarily agree to such a requirement and separate and adequate consideration was offered and accepted;

(i) during the course of the agreement, change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises during the course of the agreement, when to do so would be unreasonable or if the manufacturer fails to provide the dealer 180 days' prior written notice of a required change in location or substantial premises alteration; ~~or~~

(j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to be referred to any person or tribunal other than the duly constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer~~.~~; or

(k) refrain from participation in an auto show described in section 168.27, subdivision 10a.

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

Sec. 3. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to read:

Subd. 10a. **Participation in auto shows.** (a) A new motor vehicle dealer may participate in an auto show outside the county where the dealer maintains the dealer's licensed location to sell new vehicles without obtaining an additional license if:

(1) the dealer participates in an auto show that takes place in a county other than the county where the dealer maintains a licensed location not more than four times during any calendar year;

(2) the auto show is not held at a licensed location of any participating dealer;

(3) the auto show is of a duration of no more than 12 consecutive days;

(4) the auto show expressly prohibits:

(i) the sale or lease of vehicles at the show;

(ii) labeling or marking vehicles as "For Sale" or "Sold";

(iii) labeling or marking a vehicle with a price other than the manufacturer's retail price label;

(iv) using printed posters, cards, and other printed materials that contain special dealership pricing; and

(v) appraisal of trade-in vehicles and quoting a trade-in price for a particular vehicle.

(b) The auto show may permit:

(1) exhibitor staff to distribute business cards, coupons, vehicle promotional materials, and factory-approved rebates;

(2) exhibitor staff to make appointments for potential customers to visit the dealership, collect names of customer leads for later contact, and discuss the suggested retail price of a vehicle and the availability of particular lines of vehicles; and

(3) test rides or test drives of new vehicles, but only under a program conducted by the auto show.

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

Sec. 4. Minnesota Statutes 2024, section 216B.40, is amended to read:

216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.

Except as provided in sections 216B.42 ~~and~~, 216B.421, and 216B.422, each electric utility shall have the exclusive right to provide electric service at retail to each and every present and future customer in its assigned service area and no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing; provided that any electric utility may extend its facilities through the assigned service area of another electric utility if the extension is necessary to facilitate the electric utility connecting its facilities or customers within its own assigned service area.

Sec. 5. **[216B.422] ELECTRICITY SALES FOR CHARGING ELECTRIC VEHICLES.**

A retail seller of electricity used to recharge a battery that powers an electric vehicle, as defined in section 169.011, subdivision 26a, and that is not otherwise a public utility under this chapter, is not in violation of section 216B.40 if the electricity the retailer sells was provided by the utility serving the location of the charging station.

Sec. 6. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision to read:

Subd. 9. **Administrative costs for discontinuation of telecommunication services.** The commission may assess fees for the actual commission costs to administer the discontinuation of telecommunication services under section 237.181. The money received from the assessment must be deposited into an account in the special revenue fund and all money deposited is appropriated to the commission for the purposes specified under this subdivision. The commission may initially assess for estimated costs under section 237.181, then must adjust subsequent assessments for actual costs incurred under section 237.181. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 7. **[237.181] CUSTOMER TRANSITION PLANS FOR AREAS WITH VOIP ALTERNATIVES.**

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

(b) "Commission" means the Public Utilities Commission.

(c) "Voice over internet protocol" or "VOIP" has the meaning given in section 237.025.

(d) "Alternative providers" means one or more providers the Federal Communications Commission has identified through Broadband Data Collection, location fabric data, or a successor data program as having a provider offering wireline broadband access service through fiber optic cable to the home capable of carrying VOIP of at least 25 megabits per second download speed and three megabit per second upload speed and offers VOIP services at a rate no more than 120 percent of the current rate for local flat-rated voice service. Other Federal Communications Commission-approved adequate replacements shall be considered by the commission upon request of the telephone company or telecommunications carrier if the telephone company or telecommunications carrier fulfills the required obligations set forth in this section.

Subd. 2. **Customer transition plans.** (a) A telephone company or telecommunications carrier may submit a petition to the commission for approval of a customer transition plan to discontinue telecommunications service in an area where the telephone company or telecommunications carrier has shown that customers in the affected area have access to one or more providers for the telecommunications service provided by the telephone company or telecommunications carrier.

(b) The proposed customer transition plan must:

(1) clearly identify the area and affected customers;

(2) clearly identify the alternative providers available to customers in the affected area;

(3) provide for technical assistance to affected customers who request assistance with the transition to an alternate provider;

(4) draft consumer dispute forms for commission approval;

(5) describe the public education meeting plans for affected customers when required by the commission; and

(6) provide onetime connection fees and device costs for households eligible for credit as defined in section 237.70, subdivision 4a.

Subd. 3. **Commission process.** The commission shall provide for notice and comment on the petition for a customer transition plan. The commission shall approve, modify, or reject a petition filed under this section. The commission shall only approve a plan under this section if it finds that the telephone company or telecommunications carrier:

(1) has met its burden of demonstrating to the commission that customers in the affected area have at least one alternative provider available to those customers;

(2) has demonstrated that it will put sufficient resources into assisting customers to transition to an alternate provider, including providing onetime connection fees and device costs for households eligible for credit as defined in section 237.70, subdivision 4a; and

(3) has held a public meeting in the affected area as required by the commission and provided written notice of the meeting to customers 60 days in advance.

Subd. 4. **Obligations upon approval.** Upon approval of a petition for a customer transition plan under this section, the telephone company or telecommunications carrier that proposed the

petition must continue to serve an affected customer until the telephone company or telecommunications carrier completes the required actions in subdivision 2 and any disputes brought by the customer before the commission are resolved.

Subd. 5. **Dispute resolution.** The commission must resolve any dispute over whether a location has service available at the rates described in subdivision 1 on an expedited basis pursuant to section 237.61, prior to the date services will be discontinued. Such disputes must be submitted at least 90 days prior to the date of service discontinuance and resolved 15 days prior to the date of service discontinuation.

Subd. 6. **Reinstatement of service.** (a) The commission may reinstate existing obligations on the telephone company or telecommunications carrier to provide services to customers affected by this section:

(1) on the commission's own initiative; or

(2) in response to a request for agency action.

(b) Before acting under this subdivision, the commission must:

(1) provide notice and conduct a hearing; and

(2) determine that reinstating any existing obligation to serve is necessary because customers lack access to one or more providers.

(c) The telephone company or telecommunications carrier that would be affected by modification or reinstatement of service shall bear the burden of proof in a proceeding under this subdivision.

Subd. 7. **Local exchange carrier.** Nothing in this section relieves an incumbent local exchange carrier as defined under United States Code, title 47, section 251(h)(1), of its existing interconnection obligations or terminates existing interconnection agreements in a manner other than according to their terms or other existing law.

Subd. 8. **No relinquishment of ETC status.** A petition approved under this section shall not be deemed to be a relinquishment of any eligible telecommunications carrier designation that has been granted to the petitioning telephone company or telecommunications carrier under federal and state law.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 8. **[239.90] RETAIL ELECTRIC VEHICLE SUPPLY EQUIPMENT.**

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

(b) "Electric vehicle supply equipment" or "EVSE" means a conductor, including an ungrounded, grounded, and equipment grounding conductor, electric vehicle connector, attachment plug, and other fitting, device, power outlet, or apparatus installed specifically to measure, deliver, and compute the price of electrical energy delivered to an electric vehicle.

(c) "Electricity sold as vehicle fuel" means electrical energy transferred to or stored onboard an electric vehicle primarily to propel the electric vehicle.

(d) "Fixed service" means a service that continuously provides the nominal power that is possible with the equipment as installed.

(e) "Nominal power" means the intended, named, or stated, as opposed to the actual, rate of electrical energy transfer.

(f) "Variable service" means a service that may be controlled, resulting in periods of reduced or interrupted transfer of electrical energy.

Subd. 2. **Inspection; fees.** The director must inspect a retail EVSE annually or as often as is possible given budgetary and staffing limitations. The director must charge an EVSE owner a $100 fee to inspect and test each EVSE charging port.

Subd. 3. **EVSE program account; appropriation.** An EVSE program account is created in the special revenue fund of the state treasury. The commissioner must credit to the account fees collected from inspections under this section and appropriations and transfers made to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account is appropriated to the commissioner to pay for operations of the EVSE program.

Subd. 4. **Method of sale.** (a) Electrical energy kept, offered, or exposed for sale and sold at retail as a vehicle fuel must be expressed in kilowatt-hour units.

(b) In addition to the price per kilowatt-hour for the quantity of electrical energy sold, a fee may be assessed for other services. A fee assessed for another service may be a fixed fee or may be based on time measurement.

Subd. 5. **Labeling.** (a) A computing EVSE must display the unit price in whole cents or tenths of one cent, based on the price per kilowatt-hour. If the electrical energy is unlimited or free of charge, the computing EVSE must clearly indicate that the electrical energy is unlimited or free of charge in lieu of the unit price.

(b) For a fixed service application, the following information must be conspicuously displayed or posted on the face of the device:

(1) the level of electric vehicle service, expressed as the nominal power transfer; and

(2) the type of electrical energy transfer.

(c) If a fee is assessed for other services in direct connection with fueling the vehicle, including but not limited to a fee based on time measurement or a fixed fee, the additional fee must be displayed.

(d) An EVSE must be labeled in a manner that complies with Federal Trade Commissioner labeling requirements for alternative fuels and alternative fueled vehicles, Code of Federal Regulations, title 16, part 309.

(e) An EVSE must be listed and labeled in a manner that complies with the National Electric Code NFPA 70, Article 625, Electric Vehicle Charging Systems.

Subd. 6. **Advertising; sign prices.** (a) When a sign or device is used to advertise the price of electricity to fuel a vehicle, the price for electrical energy must be expressed in price per kilowatt-hour, in whole cents or tenths of one cent. If the electrical energy is unlimited or free of charge, the advertising or sign must clearly indicate that the electrical energy is unlimited or free of charge in lieu of the unit price.

(b) If more than one electrical energy unit price may apply over the duration of a single transaction or sale to the general public, the terms and conditions that determine each unit price and the times each unit price apply must be clearly displayed.

(c) For a fixed service application, the following information must be conspicuously displayed or posted:

(1) the level of electric vehicle service, expressed as the nominal power transfer; and

(2) the type of electrical energy transfer.

(d) For a variable service application, the following information must be conspicuously displayed or posted:

(1) the type of delivery;

(2) the minimum and maximum power transfer that may occur during a transaction, including whether service may be reduced to zero;

(3) the conditions under which a variation in electrical energy transfer occurs; and

(4) the type of electrical energy transfer.

(e) If a fee is assessed for other services in direct connection with the fueling of the vehicle, including but not limited to a fee based on time measurement or a fixed fee, the additional fee must be included on all street signs or other advertising.

Sec. 9. **[325F.079] SALE OF NITROUS OXIDE.**

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

(b) "Nitrous oxide" means a canister containing nitrous oxide that is sold by a retailer.

(c) "Retailer" means a person, located within Minnesota or elsewhere, engaged in the business of selling or offering for sale nitrous oxide to a consumer in Minnesota.

Subd. 2. **Prohibition.** A retailer is prohibited from selling or offering for sale nitrous oxide to a consumer in Minnesota.

Subd. 3. **Exceptions.** Nitrous oxide may be purchased for the following reasons:

(1) care or treatment of a disease, condition, or injury by a licensed medical or dental practitioner;

(2) possession and use by a manufacturer as part of a manufacturing process or industrial operation;

(3) possession, use, or sale as a propellant in food preparation for restaurant, food service, or houseware products; or

(4) possession, use, or sale of nitrous oxide for automative purposes.

Subd. 4. **Violation.** A person who violates this section is guilty of a misdemeanor.

Sec. 10. **[325F.677] AVAILABILITY OF WATER AT PLACES OF ENTERTAINMENT.**

Subdivision 1. **Definition.** For purposes of this section, "place of entertainment" has the meaning given in section 325F.676, subdivision 1, paragraph (h).

Subd. 2. **Available water requirement.** When occupancy exceeds 100 attendees and where an attendee must have a ticket in order to access the place of entertainment, a place of entertainment must provide attendees with access to potable water by:

(1) providing water at no cost to the attendees;

(2) allowing attendees to bring factory-sealed bottled water into the place of entertainment; or

(3) allowing attendees to bring an empty water bottle to the place of entertainment and providing attendees with access to potable water to fill the bottle. A place of entertainment may prohibit certain types and sizes of water bottles in order to protect the safety of others.

Subd. 3. **Exceptions.** An exhibit, gallery, or presentation space where beverages are prohibited is not required to allow water into the exhibit, gallery, or presentation space if water is available at no cost in an accessible location outside of the museum exhibit gallery or presentation space.

Sec. 11. Minnesota Statutes 2024, section 325G.24, subdivision 2, is amended to read:

Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to become a member of a club may unilaterally terminate such membership, in the person's exclusive discretion, by giving notice of termination at any time.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed, and postage prepaid.

(c) A club must not impose a termination fee or any other liability on the member for termination under this subdivision.

(d) Termination under this subdivision is effective at the end of the membership term in which the member provides the notice of termination. If membership is at-will without a defined membership term, then termination under this subdivision is effective ~~immediately, unless~~ no later than 30 days after the date of a verified consumer's notice of termination. If the member indicates a future effective

date of termination~~, in which event~~ beyond those set forth herein, the date indicated by the member is the effective date of termination.

(e) If a member provides notice of termination at any time before midnight of the third business day following the date on which membership was attained, the club must treat the notice as a notice of cancellation under subdivision 1, unless the member specifically provides for a future termination effective date.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 12. **[515B.5-101] COMMON INTEREST COMMUNITY REGISTRATION.**

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

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

(c) "Common interest community" has the meaning given in section 515B.1-103, clause (10).

(d) "Master declaration" has the meaning given in section 515B.1-103, clause (22).

(e) "Master developer" has the meaning given in section 515B.1-103, clause (23).

(f) "Unit" has the meaning given in section 515B.1-103, clause (35).

Subd. 2. **Establishment.** The Department of Commerce must establish a register that contains the information required under subdivision 3 regarding each residential common interest community or similar association governed by this chapter, operating within Minnesota.

Subd. 3. **Registration required.** (a) A residential common interest community or similar association governed by this chapter must annually register under this section if the common interest community or similar association owns any number of units in Minnesota.

(b) A residential common interest community or similar association governed by this chapter must provide the following information to the department when registering:

(1) the common interest community or association's legal name;

(2) the common interest community or association's federal employer identification number;

(3) the common interest community or association's telephone number, email address, and mailing and physical address;

(4) the current board officers' full names, titles, email addresses, and other contact information;

(5) a copy of the common interest community or association's governing documents, including but not limited to declarations, bylaws, rules, and any amendments;

(6) the total number of parcels in the common interest community or association; and

(7) the total amount of revenues and expenses from the common interest community or association's annual budget.

(c) For residential common interest communities or associations governed by this chapter that are under the control of a master developer, the register must include:

(1) the master developer's legal name;

(2) the master developer's telephone number, email address, and mailing and physical address;

(3) the master developer's federal employer identification number;

(4) the total number of parcels owned by the master developer on the date of reporting;

(5) the master developer's master declaration required under section 515B.2-121;

(6) the master developer's anticipated timeline to transfer control to the owners; and

(7) how the master developer transfers control to the owners.

(d) Residential common interest communities or associations governed by this chapter that contract with a property management company must also provide the following information:

(1) the property management company's legal name;

(2) the property management company's telephone number, email address, and mailing and physical address; and

(3) a brief description of the property management company's legal obligations under the terms of the contract.

Subd. 4. **Registration fee.** Each residential common interest community or association must pay an annual registration fee of $55 to support the register established in subdivision 2 and the common interest community ombudsperson under section 45.0137.

Subd. 5. **Data classification.** Data collected, created, received, or maintained pursuant to this section is private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 6. **Notice requirement.** The Department of Commerce must provide notice to a common interest community or association that fails to register. The common interest community or association must register as provided under this section within 60 days after receiving the notice to register.

EFFECTIVE DATE. This section is effective January 1, 2026.

ARTICLE 6

CANNABIS FINANCE POLICY

Section 1. Minnesota Statutes 2024, section 342.17, is amended to read:

342.17 SOCIAL EQUITY APPLICANTS.

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of, received a stay of adjudication under chapter 609 for, or was adjudicated delinquent under chapter 260B of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including a service-disabled veteran, current or former member of the national guard;

(5) is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

(6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods:

(i) that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; or

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least $5,000 but not more than $100,000 in the previous year.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, apply to at least 65 percent of the controlling ownership of the business entity.

Sec. 2. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis testing facility licenses.** (a) Pending an applicant's accreditation by a laboratory accrediting organization approved by the office, the office may issue or renew a cannabis testing facility license for an applicant that is a person, cooperative, or business if the applicant:

(1) submits documentation to the office demonstrating that the applicant has a signed contract with a laboratory accreditation organization approved by the office, has scheduled an audit, and is making progress toward accreditation by a laboratory accrediting organization approved by the office according to the standards of the most recent edition of ISO/IEC 17025: General Requirements for the Competence of Testing and Calibration Laboratories;

(2) passes a final site inspection conducted by the office; and

(3) meets all other licensing requirements according to chapter 342 and Minnesota Rules.

(b) After receiving a license under this section, a license holder may operate a cannabis testing facility up to one year with pending accreditation status.

(c) If, after one year, a license holder continues to have pending accreditation status, the license holder may apply for a onetime extension to continue operations for up to six months. The office may grant an extension under this paragraph to a license holder if the license holder:

(1) passes a follow-up site inspection conducted by the office;

(2) submits an initial audit report from a laboratory accrediting organization approved by the office; and

(3) submits any additional information requested by the office.

(d) The office may revoke a cannabis testing facility license held by a license holder with pending accreditation status if the office determines or has reason to believe that the license holder:

(1) is not making progress toward accreditation; or

(2) has violated a cannabis testing requirement, an ownership requirement, or an operational requirement in chapter 342 or Minnesota Rules.

(e) The office must not issue or renew a cannabis testing facility license under this subdivision for a license holder if the license holder's accreditation has been suspended or revoked by a laboratory accrediting organization.

Sec. 3. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2b. **Loss of accreditation.** (a) A license holder must report loss of accreditation to the office within 24 hours of receiving notice of the loss of accreditation.

(b) The office must immediately revoke a license holder's license upon receiving notice that the license holder has lost accreditation.

ARTICLE 7

CONSUMER PROTECTION

Section 1. Minnesota Statutes 2024, section 116.943, subdivision 1, is amended to read:

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; ~~and~~

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress~~.~~; and

(3) not including:

(i) an off-highway vehicle made for children;

(ii) an all-terrain vehicle made for children;

(iii) an off-highway motorcycle made for children;

(iv) a snowmobile made for children;

(v) an electric-assisted bicycle made for children; or

(vi) a replacement part for a vehicle described in items (i) to (v).

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

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

Sec. 2. Minnesota Statutes 2024, section 116.943, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

(6) fabric treatments;

(7) juvenile products;

(8) menstruation products;

(9) textile furnishings;

(10) ski wax; or

(11) upholstered furniture.

(b) Paragraph (a) does not prohibit the sale, offering for sale, or distribution of a product that contains intentionally added PFAS only in internal components that do not come into direct contact with a person's skin or mouth during reasonably foreseeable use or abuse of the product.

~~(b)~~ (c) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

~~(c)~~ (d) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

~~(d)~~ (e) The commissioner may not take action under paragraph ~~(b)~~ (c) or ~~(c)~~ (d) with respect to a pesticide, as defined under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment as defined under chapter 18C, unless the commissioner of agriculture approves the action.

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

Sec. 3. Minnesota Statutes 2024, section 325E.3892, subdivision 1, is amended to read:

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

(b) "Covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies, except ink pens and mechanical pencils;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, children's paints, and other art supplies except professional artist materials, including but not limited to oil-based paints, water-based paints, paints, pastels, pigments, ceramic glazes, and markers;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) ~~keys,~~ key chains~~,~~ and key rings; and

(15) clothing, footwear, headwear, and accessories.

(c) "Pastels" means a crayon composed of powdered pigments bonded with gum or resin.

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

Sec. 4. Minnesota Statutes 2024, section 325E.3892, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to:

(1) covered products containing lead or cadmium, or both, when regulation is preempted by federal law~~.~~; or

(2) covered products that contain lead only in solder used in internal components or in pen tips so long as:

(i) the product is not imported, manufactured, sold, held for sale, distributed, or offered for use in this state after July 1, 2028; and

(ii) the manufacturer of the product submits biennial reports to the commissioner of the Pollution Control Agency that explain the barriers to removing lead from the product, progress towards adoption of lead-free alternatives, and a timeline to fully adopt a lead-free alternative.

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

Sec. 5. Minnesota Statutes 2024, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** (a) No person, political subdivision, or state agency shall manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement

to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

(e) Until January 1, 2028, this subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for use in hangar fixed firefighting systems at an airport, as defined under section 360.013, subdivision 39. The commissioner of the Pollution Control Agency, in consultation with the state fire marshal, may provide the operator of an airport using class B firefighting foam containing PFAS chemicals one year extensions beyond this date upon a showing that the need for additional time is beyond the operator's control and that public safety and the environment will be protected during the period of the extension."

Delete the title and insert:

"A bill for an act relating to commerce; establishing a budget for the Department of Commerce; adding, modifying, and eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; establishing a common interest community ombudsperson and a common interest community register; classifying data; making technical changes; appropriating money; amending Minnesota Statutes 2024, sections 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 58B.051; 60A.201, subdivision 2, by adding a subdivision; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62D.221, by adding a subdivision; 62J.26, subdivisions 1, 2, 3, by

adding subdivisions; 62Q.73, subdivision 4; 65A.01, subdivision 3c; 72A.20, by adding a subdivision; 80A.65, subdivision 2; 80A.66; 80E.12; 116.943, subdivisions 1, 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 325G.24, subdivision 2; 334.01, subdivision 2; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 45; 60D; 62A; 168A; 216B; 237; 239; 325F; 515B."

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

Senator McEwen from the Committee on Labor, to which was re-referred

S.F. No. 2373: A bill for an act relating to state government; establishing a biennial budget for the Department of Labor and Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services; making various policy changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 177.253, subdivision 1, by adding a subdivision; 177.254, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 5; 326B.103, by adding subdivisions; 326B.184, subdivisions 1a, 2; 326B.31, subdivision 29; 326B.33, subdivision 21; 326B.37, subdivisions 1, 2, 4, 5, 6, 8, 9, by adding a subdivision; 326B.49, subdivisions 2, 3; 326B.986, subdivision 9; 327.31, by adding subdivisions; 327.32, subdivisions 1a, 1e, 7, 8; 327.33, subdivisions 1, 2, 2a, 2b, 2c, 3, 7, by adding subdivisions; 327.34, subdivision 1; 327.35, subdivision 1; 327B.01, subdivisions 1, 7, 11a, 19, by adding subdivisions; 327B.03; 327B.04, subdivisions 3, 4, 5, 6, 7, 7a, by adding subdivisions; 327B.041; 327B.042, subdivisions 1, 2; 327B.05, subdivision 1; 327B.06, subdivision 2; 327B.08, subdivision 1; 327B.09, subdivisions 1, 2, 3, 4; 327B.10; 327B.11, subdivision 1; 327B.12; Laws 2024, chapter 127, article 14, section 3; proposing coding for new law in Minnesota Statutes, chapter 326B.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

(a) 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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

(b) If an appropriation in this article is enacted more than once in the 2025 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

	Available for the Year Ending June 30 2026	2027

Sec. 2. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation** **$** **49,478,000** **$** **49,521,000**

Appropriations by Fund	2026	2027
General	7,876,000	8,043,000
Workers' Compensation	34,776,000	34,652,000
Workforce Development	6,826,000	6,826,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The general fund base is $7,543,000 in fiscal year 2028 and each year thereafter.

Subd. 2. **General Support** 9,106,000 9,106,000

This appropriation is from the workers' compensation fund.

Subd. 3. **Labor Standards** 8,881,000 9,095,000

Appropriations by Fund		
General	7,185,000	7,399,000
Workforce Development	1,696,000	1,696,000

(a) The general fund base for this appropriation is $6,899,000 in fiscal year 2028 and each year thereafter.

(b) $1,696,000 each year is from the workforce development fund for prevailing wage enforcement.

Subd. 4. **Workers' Compensation** 17,609,000 17,919,000

This appropriation is from the workers' compensation fund.

Subd. 5. **Workplace Safety** 8,061,000 7,627,000

This appropriation is from the workers' compensation fund.

Subd. 6. **Employment-Based Initiatives** 2,404,000 2,404,000

Appropriations by Fund		
General	33,000	33,000
Workforce Development	2,371,000	2,371,000

(a) $300,000 each year is from the workforce development fund for the dual-training pipeline program.

(b) $200,000 each year is from the workforce development fund for identification of competency standards under Minnesota Statutes, section 175.45.

(c) $1,500,000 each year is from the workforce development fund for youth skills training grants under Minnesota Statutes, section 175.46.

(d) $371,000 each year is from the workforce development fund for administration of the youth skills training grants program under Minnesota Statutes, section 175.46.

(e) $33,000 each year is from the general fund to identify occupational competency standards and provide technical assistance for developing dual-training programs under Minnesota Statutes, section 175.45, for the legal cannabis industry.

Subd. 7. **Combative Sports** 254,000 254,000

Subd. 8. **Apprenticeship** 2,759,000 2,759,000

(a) This appropriation is from the workforce development fund.

(b) $1,000,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11.

(c) $225,000 each year is from the workforce development fund for a grant to Building Strong Communities, Inc. for the Minnesota Helmets to Hardhats program. This money must be used to facilitate participation of National Guard, reserve, and active duty military members and veterans in apprenticeship programs registered with the Department of Labor and Industry and connect these members and veterans to career training and employment in the building and construction industries. Program recruitment, selection, employment, and training must not discriminate based on race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and industry that identifies:

(1) a detailed accounting of the use of the grant;

(2) the portion of the grant spent on administration; and

(3) the number of military members and veterans served by the grant.

The report must be filed according to Minnesota Statutes, section 3.195.

Subd. 9. **Nursing Home Workforce Standards Board**	404,000	357,000
Subd. 10. **Construction Codes and Licensing**	500,000	500,000

These appropriations are for initiatives to promote mental health in the construction industry and prevent suicide and may be used for outreach, education, development of resources related to stigma reduction and worksite strategies, and grants to industry groups for related activities. These are onetime appropriations and are available until June 30, 2027.

Sec. 3. **WORKERS' COMPENSATION COURT OF APPEALS**	**$**	**2,962,000**	**$**	**2,895,000**

This appropriation is from the workers' compensation fund.

Sec. 4. **BUREAU OF MEDIATION SERVICES**	**$**	**3,828,000**	**$**	**3,882,000**

$762,000 the first year and $772,000 the second year are for the Public Employment Relations Board under Minnesota Statutes, section 179A.041.

Sec. 5. **CANCELLATIONS.**

(a) $25,000 of the fiscal year 2024 appropriation from the general fund for creation and distribution of a veterans' benefits and services poster under Laws 2023, chapter 53, article 19, section 2, subdivision 3, paragraph (f), is canceled.

(b) $214,000 of the fiscal year 2024 appropriation from the general fund for the ergonomics safety grant program under Laws 2023, chapter 53, article 19, section 2, subdivision 5, is canceled.

Sec. 6. Laws 2024, chapter 127, article 14, section 3, is amended to read:

Sec. 3. **DEPARTMENT OF LABOR AND INDUSTRY**	**$**	**-0-**	**$**	**225,000**

This appropriation is for the single-egress stairway apartment building report under article 15, section 46. This is a onetime appropriation and is available until June 30, 2026.

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

ARTICLE 2

DEPARTMENT OF LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2024, section 177.27, subdivision 5, is amended to read:

Subd. 5. **Civil actions.** The commissioner may bring an action in the district court where an employer resides or where the commissioner maintains an office to enforce or require compliance with orders issued under subdivision 4. In addition to any other remedy provided by law, the commissioner may also apply in the district court where an employer resides or where the commissioner maintains an office for an order enjoining and restraining violations of any statute or rule listed in subdivision 4.

Sec. 2. Minnesota Statutes 2024, section 326B.103, is amended by adding a subdivision to read:

Subd. 4a. **Closed construction.** "Closed construction" means any building manufactured in such a manner that all portions cannot be readily inspected at the installation site without disassembly, damage to, or destruction thereof.

Sec. 3. Minnesota Statutes 2024, section 326B.103, is amended by adding a subdivision to read:

Subd. 8a. **Industrialized or modular building.** "Industrialized or modular building" means a building of closed construction, constructed so that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage, or destruction, and made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. Industrialized or modular building includes, but is not limited to, modular housing that is factory-built single-family and multifamily housing, including closed-wall-panelized housing, and other modular, nonresidential buildings. Industrialized or modular building does not include a structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974 or prefabricated buildings.

Sec. 4. Minnesota Statutes 2024, section 326B.103, is amended by adding a subdivision to read:

Subd. 8b. **Manufactured home.** "Manufactured home" has the meaning provided in Code of Federal Regulations, title 24, section 3280.2.

Sec. 5. Minnesota Statutes 2024, section 326B.103, is amended by adding a subdivision to read:

Subd. 10a. **Prefabricated building.** "Prefabricated building" means any building or building module intended for use as an R-3, one- or two-family dwelling, or a U-1 accessory building, that is of closed construction and is constructed on or off the building site for installation, or on the building site for assembly and installation. Prefabricated building does not include relocatable contractors offices or storage buildings that are (1) 1,500 square feet or less in floor area, (2) designed for temporary use by a contractor at a construction site, (3) not to be used by the general public or as a sales office, and (4) to be removed prior to or upon completion of the construction project.

Sec. 6. **[326B.154] INDUSTRIALIZED MODULAR OR PREFABRICATED BUILDINGS PLAN REVIEW AND INSPECTION FEES.**

Subdivision 1. **Plan review fees.** (a) The fees under this section relate to plan review and inspection of industrialized or modular buildings as defined in Minnesota Statutes, section 326B.103, subdivision 8a, and prefabricated buildings as defined in Minnesota Statutes, section 326B.103, subdivision 10a.

(b) Fees for the review of quality-control manuals, systems manuals, and related documents submitted as required by section 326B.106 are $125 per hour.

(c) Fees for the review of building plans, specifications, installation instructions, and related documents submitted as required by section 326B.106 include 65 percent of the fee as set forth in the fee schedule in paragraph (d), but not less than $135.

(d) If the total cost of materials and labor for in-plant manufacture of the building is in the noted range, the fee is as shown:

(1) $0 to $5,000, $135;

(2) $5,001 to $25,000, $135 for the first $5,000, plus $16.55 for each additional $1,000 or fraction thereof, to and including $25,000;

(3) $25,001 to $50,000, $464.15 for the first $25,000, plus $12 for each additional $1,000 or fraction thereof, to and including $50,000;

(4) $50,001 to $100,000, $764.15 for the first $50,000, plus $8.45 for each additional $1,000 or fraction thereof, to and including $100,000;

(5) $100,001 to $500,000, $1,186.65 for the first $100,000, plus $6.75 for each additional $1,000 or fraction thereof, to and including $500,000;

(6) $500,001 to $1,000,000, $3,886.65 for the first $500,000, plus $5.50 for each additional $1,000 or fraction thereof, to and including $1,000,000; and

(7) $1,000,001 and over, $6,636.65 for the first $1,000,000, plus $4.50 for each additional $1,000 or fraction thereof.

Subd. 2. **Inspections and audit fees.** Fees for the inspection and audit of approved quality-control manuals, systems manuals, building plans, specifications, and related documents submitted as required by section 326B.106 are $125 per hour.

Subd. 3. **Other inspections and fees.** (a) Fees for the following are as stated:

(1) inspections outside of regular business hours, $188 per hour, minimum charge two hours;

(2) reinspection fees during regular business hours, $125 per hour;

(3) inspections for which no fee is specifically indicated, minimum charge one hour, $125 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans, quality-control manuals, and systems manuals, minimum charge one hour, $125 per hour.

(b) For the purposes of this section, "regular business hours" means Monday to Friday, 7:00 a.m. to 5:00 p.m.

Subd. 4. **Surcharge.** Surcharge fees are required for permits issued on all buildings including public buildings and state-licensed facilities as required by section 326B.148.

Subd. 5. **Fee distribution between state and municipalities.** (a) The commissioner shall provide plan review and inspections services for all work occurring in the manufacturing facility; plan review of the composite modular construction; and plan review of the structural foundation, interconnection of the modules, attachments of modular systems to the building foundation, and integration of plumbing, mechanical, and electrical systems.

(b) For projects not defined as public buildings or state licensed facilities, the municipal building official shall provide plan review for all nonmodular on-site construction and shall provide inspections

for the entire composite building. The municipality may charge a full plan review fee in accordance with the municipality's fee schedule for construction performed on site. The municipality shall issue construction permits and charge permit fees for all work occurring on site. The municipality shall issue a construction permit and charge permit fees for the valuation of work associated with building module placement, attachment, and associated utility connections to each module and overall building systems.

(c) For projects defined as public buildings or state-licensed facilities, the commissioner shall provide plan review for all modular and nonmodular construction and shall provide inspections for the entire composite building. Municipalities with state delegation agreements must distribute work according to this paragraph.

Sec. 7. Minnesota Statutes 2024, section 326B.184, subdivision 1a, is amended to read:

Subd. 1a. **Department permit and inspection fees.** (a) The department permit and inspection fees to construct, install, alter, repair, or remove an elevator are as follows:

(1) the permit fee is $100;

(2) the inspection fee is 0.015 of the total cost of the permitted work for labor and materials, including related electrical and mechanical equipment. The inspection fee covers two inspections. The inspection fee for additional inspections is $80 per hour;

(3) the fee for each separate remote virtual inspection of a stairway chairlift installation or other authorized devices at a private residence is $10;

~~(3)~~ (4) when inspections scheduled by the permit submitter are not able to be completed because the work is not complete, a fee equal to two hours at the hourly rate of $80 must be paid by the permit submitter; and

~~(4)~~ (5) when the owner or permit holder requests inspections be performed outside of normal work hours or on weekends or holidays, an hourly rate of $120 in addition to the inspection fee must be paid.

(b) The department fees for inspection of existing elevators when requested by the elevator owner or as a result of an accident resulting in personal injury are at an hourly rate of $80 during normal work hours or $120 outside of normal work hours or on weekends or holidays, with a one-hour minimum.

Sec. 8. Minnesota Statutes 2024, section 326B.184, subdivision 2, is amended to read:

Subd. 2. **Operating permits and fees; periodic inspections.** (a) No person may operate an elevator without first obtaining an annual operating permit from the department or a municipality authorized by subdivision 4 to issue annual operating permits. A ~~$100~~ $145 annual operating permit fee must be paid to the department for each annual operating permit issued by the department, except that the original annual operating permit must be included in the permit fee for the initial installation of the elevator. Annual operating permits must be issued at 12-month intervals from the date of the initial annual operating permit. For each subsequent year, an owner must be granted an annual operating permit for the elevator upon the owner's or owner's agent's submission of a form prescribed

by the commissioner and payment of the ~~$100~~ $145 fee. Each form must include the location of the elevator, the results of any periodic test required by the code, and any other criteria established by rule. An annual operating permit may be revoked by the commissioner upon an audit of the periodic testing results submitted with the application or a failure to comply with elevator code requirements, inspections, or any other law related to elevators. Except for an initial operating permit fee, elevators in residential dwellings, hand-powered manlifts and electric endless belt manlifts, and vertical reciprocating conveyors are not subject to a subsequent operating permit fee.

(b) All elevators are subject to periodic inspections by the department or a municipality authorized by subdivision 4 to perform periodic inspections, except that hand-powered manlifts and electric endless belt manlifts are exempt from periodic inspections. Periodic inspections by the department shall be performed at the following intervals:

(1) a special purpose personnel elevator is subject to inspection not more than once every five years;

(2) an elevator located within a house of worship that does not have attached school facilities is subject to inspection not more than once every three years; and

(3) all other elevators are subject to inspection not more than once each year.

Sec. 9. Minnesota Statutes 2024, section 326B.31, subdivision 29, is amended to read:

Subd. 29. **Technology circuits or systems.** "Technology circuits or systems" means class 2 ~~or~~, class 3, or class 4 circuits or systems for, but not limited to, remote control, signaling, control, alarm, and audio signal, including associated components as covered by the National Electrical Code, ~~articles 640, 645, 650, 725, 760, 770, and 780,~~ and which are isolated from circuits or systems other than class 2 ~~or~~, class 3, or class 4 by a demarcation and are not process control circuits or systems; antenna and communication circuits or systems as covered by ~~chapter 8 of~~ the National Electrical Code; and circuitry and equipment ~~for indoor lighting and outdoor landscape lighting systems that are supplied by the secondary circuit of an isolating power supply operating at 30 volts or less as~~ for low-voltage lighting, limited to a class 2 or class 3 power supply covered by the Low-Voltage Lighting article in the National Electrical Code~~, article 411~~. The planning, laying out, installing, altering, and repairing of technology circuits or systems must be performed in accordance with the applicable requirements of the National Electrical Code pursuant to section 326B.35.

Sec. 10. Minnesota Statutes 2024, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has on file with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; ~~or~~

(3) class 4 circuits or systems; or

~~(3)~~ (4) technology circuits or systems in hazardous classified locations as covered by the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which:

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company; ~~and~~

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An individual who physically performs electrical work on a residential dwelling that is located on a property the individual owns and actually occupies as a residence or owns and will occupy as a residence upon completion of its construction is not required to hold or obtain a license under sections 326B.31 to 326B.399 if the residential dwelling has a separate electrical utility service not shared with any other residential dwelling.

(g) Companies and their employees licensed under section 326B.164 shall not be required to hold or obtain a license under sections 326B.31 to 326B.399 while performing elevator work.

Sec. 11. Minnesota Statutes 2024, section 326B.37, subdivision 1, is amended to read:

Subdivision 1. **Schedule.** State electrical inspection fees shall be calculated in accordance with subdivisions ~~2~~ 1 to ~~14~~ 18. The permit fee is $25.

Sec. 12. Minnesota Statutes 2024, section 326B.37, subdivision 2, is amended to read:

Subd. 2. **Fee for each separate inspection.** (a) The minimum fee for each separate on-site inspection of an installation, replacement, alteration, or repair is ~~$35~~ $55. Except as otherwise provided in this section, the maximum number of separate inspections allowed without payment of an additional fee is the whole number resulting from dividing by ~~35~~ 55 the total fee calculated in accordance with this section. Where additional separate inspections are necessary, additional fees are required to result in a value equal to the total number of separate inspections multiplied by ~~35~~ 55. The fee for any inspections needed after a "final inspection" is performed shall be calculated without consideration of any fee paid before the final inspection.

(b) The fee for the first remote virtual inspection under a permit is $10. The fee for each subsequent remote virtual inspection under a permit is $35.

Sec. 13. Minnesota Statutes 2024, section 326B.37, subdivision 4, is amended to read:

Subd. 4. **Fee for circuit, feeder, feeder tap, or set of transformer secondary conductors.** The inspection fee for the installation, addition, alteration, or repair of each circuit, feeder, feeder tap, or set of transformer secondary conductors, including the equipment served, is:

(1) 0 ampere to and including 200 ampere capacity, ~~$6~~ $12; and

(2) ampere capacity above 200, $15.

Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing disconnect, switchboard, motor control center, or panelboard, the inspection fee for each circuit or feeder is $2.

Sec. 14. Minnesota Statutes 2024, section 326B.37, subdivision 5, is amended to read:

Subd. 5. **Inspection fee for dwelling.** (a) The inspection fee for a one-family dwelling and each dwelling unit of a two-family dwelling is the following:

(1) the fee for each service or other source of power as provided in subdivision 3;

(2) ~~$100~~ $165 for up to 30 feeders and circuits; and

(3) for each additional feeder or circuit, the fee as provided in subdivision 4.

This fee applies to each separate installation for new dwellings and where 15 or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwellings. Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is $2. The maximum number of separate inspections shall be determined in accordance with subdivision 2. The fee for additional inspections or other installations is that specified in subdivisions 2, 4, 6, and 8. The installer may submit fees for additional inspections when filing the request for electrical inspection. The fee for each detached accessory structure directly associated with a dwelling unit shall be calculated in accordance with subdivisions 3 and 4. When included on the same request for electrical inspection form, inspection fees for detached accessory structures directly associated with the dwelling unit may be combined with the dwelling unit fees to determine the maximum number of separate inspections in accordance with subdivision 2.

(b) The inspection fee for each dwelling unit of a multifamily dwelling with three or more dwelling units is ~~$70~~ $110 for a combination of up to 20 feeders and circuits and ~~$6~~ $12 for each additional feeder or circuit. This fee applies to each separate installation for each new dwelling unit and where ten or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwelling units. Where existing feeders or circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is $2. The maximum number of separate inspections for each dwelling unit shall be determined in accordance with subdivision 2. The fee for additional inspections or for inspection of other installations is that specified in subdivisions 2, 4, 6, and 8. These fees include only inspection of the wiring within individual dwelling units and the final feeder to that unit where the multifamily dwelling is provided with common service equipment and each dwelling unit is

supplied by a separate feeder or feeders extended from common service or distribution equipment. The fee for multifamily dwelling services or other power source supplies and all other circuits is that specified in subdivisions 2 to 4.

(c) A separate request for electrical inspection form must be filed for each dwelling unit that is supplied with an individual set of service entrance conductors. These fees are the one-family dwelling rate specified in paragraph (a).

Sec. 15. Minnesota Statutes 2024, section 326B.37, subdivision 6, is amended to read:

Subd. 6. **Additions to fees of subdivisions 3 to 5.** (a) The fee for the electrical supply for each manufactured home park lot is $35. This fee includes the service or feeder conductors up to and including the service equipment or disconnecting means. The fee for feeders and circuits that extend from the service or disconnecting means is that specified in subdivision 4.

(b) The fee for each recreational vehicle site electrical supply equipment is ~~$6~~ $12 for each circuit originating within the equipment. The fee for recreational vehicle park services, feeders, and circuits is that specified in subdivisions 3 and 4.

(c) The fee for each street, parking lot, or outdoor area lighting standard and each traffic signal standard is $5. Circuits originating within the standard or traffic signal controller shall not be used when calculating the fee for each standard.

(d) The fee for transformers for light, heat, and power is $15 for transformers rated up to ten kilovolt-amperes and $30 for transformers rated in excess of ten kilovolt-amperes. The previous sentence does not apply to Class 1 transformers or power supplies for Class 1 power-limited circuits or to Class 2 or Class 3 transformers or power supplies.

(e) The fee for transformers and electronic power supplies for electric signs and outline lighting is $5 per unit.

(f) The fee for technology circuits or systems, and circuits of less than 50 volts, is 75 cents for each system device or apparatus.

(g) The fee for each separate inspection of the bonding for a swimming pool, spa, fountain, an equipotential plane for an agricultural confinement area, or similar installation is $35. Bonding conductors and connections require an inspection before being concealed.

(h) The fee for all wiring installed on center pivot irrigation booms is $35 plus $5 for each electrical drive unit.

(i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per luminaire.

(j) When a separate inspection of a concrete-encased grounding electrode is performed, the fee is ~~$35~~ $55.

(k) The fees required by subdivisions 3 and 4 are doubled for installations over 600 volts.

(l) The fee for a class 4 circuit or system transmitter, receiver, or utilization equipment is $0.50 for each system device or apparatus.

Sec. 16. Minnesota Statutes 2024, section 326B.37, subdivision 8, is amended to read:

Subd. 8. **Reinspection fee.** Notwithstanding the provisions of subdivisions 2 and 5, when reinspection is necessary to determine whether unsafe conditions identified during a final inspection have been corrected and the conditions are not the subject of an appeal pending before the commissioner or any court, ~~a~~ reinspection ~~fee of $35~~ fees shall be assessed as follows: (1) $55 for an on-site reinspection; and (2) $35 for a remote virtual reinspection. Reinspection fees shall be assessed in writing by the inspector.

Sec. 17. Minnesota Statutes 2024, section 326B.37, subdivision 9, is amended to read:

Subd. 9. **Supplemental fee.** When inspections scheduled by the installer are preempted, obstructed, prevented, or otherwise not able to be completed as scheduled due to circumstances beyond the control of the inspector, a supplemental inspection fee of ~~$35~~ $55 shall be assessed in writing by the inspector.

Sec. 18. Minnesota Statutes 2024, section 326B.37, is amended by adding a subdivision to read:

Subd. 18. **Energy storage and battery systems.** (a) The inspection fee for the installation of an energy storage or battery system is:

(1) for zero watts to and including 5,000 watts, $60;

(2) for 5,001 watts to and including 10,000 watts, $100;

(3) for 10,001 watts to and including 20,000 watts, $150;

(4) for 20,001 watts to and including 30,000 watts, $200;

(5) for 30,001 watts to and including 40,000 watts, $250;

(6) for 40,001 watts to and including 1,000,000 watts, $250, plus $8 for each additional 10,000 watts over 40,000 watts;

(7) for 1,000,000 watts to 5,000,000 watts, $1,518, plus $5 for each additional 10,000 watts over 1,000,000 watts; or

(8) for 5,000,000 watts and larger, $3,518, plus $2 for each additional 10,000 watts over 5,000,000 watts.

(b) For the purpose of paragraph (a), the watt rating is the total of the estimated energy output, AC or DC, of the energy storage or battery system.

Sec. 19. Minnesota Statutes 2024, section 326B.49, subdivision 2, is amended to read:

Subd. 2. **Fees for plan reviews and audits.** Plumbing system plans and specifications that are submitted to the commissioner for review shall be accompanied by the appropriate plan examination fees. If the commissioner determines, upon review of the plans, that inadequate fees were paid, the necessary additional fees shall be paid prior to plan approval. The commissioner shall charge the following fees for plan reviews and audits of plumbing installations for public, commercial, and

industrial buildings based upon the construction valuation of the plumbing work and in accordance with the table in clause (1), or based upon clause (2) or (3), as applicable:

~~(1) systems with both water distribution and drain, waste, and vent systems and having:~~

~~(i) 25 or fewer drainage fixture units, $150;~~

~~(ii) 26 to 50 drainage fixture units, $250;~~

~~(iii) 51 to 150 drainage fixture units, $350;~~

~~(iv) 151 to 249 drainage fixture units, $500;~~

~~(v) 250 or more drainage fixture units, $3 per drainage fixture unit to a maximum of $4,000; and~~

~~(vi) interceptors, separators, or catch basins, $70 per interceptor, separator, or catch basin design;~~

~~(2) building sewer service only, $150;~~

~~(3) building water service only, $150;~~

~~(4) building water distribution system only, no drainage system, $5 per supply fixture unit or $150, whichever is greater;~~

~~(5) storm drainage system, a minimum fee of $150 or:~~

~~(i) $50 per drain opening, up to a maximum of $500; and~~

~~(ii) $70 per interceptor, separator, or catch basin design;~~

(1) the total valuation and fee schedule is:

(i) $0 to $1,500, $135;

(ii) $1,501 to $2,500, $135 for the first $1,500, plus $28 for each additional $500 or fraction thereof, to and including $2,500;

(iii) $2,501 to $5,000, $191 for the first $2,500, plus $25 for each additional $500 or fraction thereof, to and including $5,000;

(iv) $5,001 to $25,000, $316 for the first $5,000, plus $33 for each additional $1,000 or fraction thereof, to and including $25,000;

(v) $25,001 to $50,000, $976 for the first $25,000, plus $31 for each additional $1,000 or fraction thereof, to and including $50,000;

(vi) $50,001 to $500,000, $1,751 for the first $50,000, plus $23 for each additional $10,000 or fraction thereof, to and including $100,000;

(vii) $500,001 to $3,000,000, $2,786 for the first $500,000, plus $41 for each additional $100,000 or fraction thereof, to and including $3,000,000; and

(viii) $3,000,001 and over, $3,811 for the first $3,000,000, plus $33 for each additional $100,000 or fraction thereof;

(2) manufactured home park or campground:

~~(6) manufactured home park or campground,~~ (i) one to 25 sites, $300;

~~(7) manufactured home park or campground,~~ (ii) 26 to 50 sites, $350;

~~(8) manufactured home park or campground,~~ (iii) 51 to 125 sites, $400;

~~(9) manufactured home park or campground,~~ (iv) more than 125 sites, $500; and

(v) other work shall be assessed per clause (1); and

~~(10) revision~~ (3) revisions to previously reviewed or incomplete plans:

(i) review of plans for which the commissioner has issued two or more requests for additional information, per review, ~~$100 or ten percent of the original fee, whichever is greater~~ $125 per hour with a minimum of one hour;

(ii) proposer-requested revision with no increase in project scope, ~~$50 or ten percent of original fee, whichever is greater~~ $125 per hour with a minimum of one hour; and

(iii) proposer-requested revision with an increase in project scope, ~~$50 plus the difference between the original project fee and the revised project fee~~ the fee shall be based upon the absolute value of the change in work scope as if the change in scope is a new project.

Sec. 20. Minnesota Statutes 2024, section 326B.49, subdivision 3, is amended to read:

Subd. 3. **Permits; fees.** (a) Before commencement of a plumbing installation to be inspected by the commissioner, the plumbing contractor or registered plumbing employer performing the plumbing work must submit to the commissioner an application for a permit and the permit and inspection fees ~~in paragraphs (b) to (f).~~ based upon the construction valuation of the plumbing work in accordance with clause (1), or based upon clause (2) or (3), as applicable:

~~(b) The permit fee is $100.~~

~~(c) The residential inspection fee is $50 for each inspection trip.~~

~~(d) The public, commercial, and industrial inspection fees are as follows:~~

~~(1) for systems with water distribution, drain, waste, and vent system connection:~~

~~(i) $25 for each fixture, permanently connected appliance, floor drain, or other appurtenance;~~

~~(ii) $25 for each water conditioning, water treatment, or water filtration system; and~~

~~(iii) $25 for each intereceptor, separator, catch basin, or manhole;~~

~~(2) roof drains, $25 for each drain;~~

~~(3) building sewer service only, $100;~~

~~(4) building water service only, $100;~~

~~(5) building water distribution system only, no drainage system, $5 for each fixture supplied;~~

~~(6) storm drainage system, a minimum fee of $25 for each drain opening, intereceptor, separator, or catch basin;~~

(1) the total valuation and fee schedule for plumbing permits is:

(i) $0 to $1,500, $135;

(ii) $1,501 to $2,500, $135 for the first $1,500, plus $43 for each additional $500 or fraction thereof, to and including $2,500;

(iii) $2,501 to $5,000, $221 for the first $2,500, plus $28 for each additional $500 or fraction thereof, to and including $5,000;

(iv) $5,001 to $25,000, $361 for the first $5,000, plus $53 for each additional $1,000 or fraction thereof, to and including $25,000;

(v) $25,001 to $50,000, $1,421 for the first $25,000, plus $51 for each additional $1,000 or fraction thereof, to and including $50,000;

(vi) $50,001 to $500,000, $2,696 for the first $50,000, plus $47 for each additional $10,000 or fraction thereof, to and including $500,000;

(vii) $500,001 to $3,000,000, $4,811 for the first $500,000, plus $61 for each additional $50,000 or fraction thereof, to and including $3,000,000; or

(viii) $3,000,001 and over, $7,861 for the first $3,000,000, plus $51 for each additional $100,000 or fraction thereof;

~~(7)~~ (2) manufactured home park or campground, $25 for each site, minimum charge $135; and

~~(8) reinspection fee to verify corrections, regardless of the total fee submitted, $100 for each reinspection; and~~

~~(9) each $100 in fees paid covers one inspection trip.~~

~~(c) In addition to the fees in paragraph (d), the fee submitter must pay an hourly rate of $80 during regular business hours, or $120 when inspections are requested to be performed outside of normal work hours or on weekends and holidays, with a two-hour minimum where the fee submitter requests inspections of installations as systems are being installed.~~

~~(f) The fee submitter must pay a fee equal to two hours at the hourly rate of $80 when inspections scheduled by the submitter are not able to be completed because the work is not complete.~~

(3) other inspections and fees:

(i) inspections outside of regular business hours, defined as Monday to Friday, 7:00 a.m. to 5:00 p.m., $188 per hour, minimum charge two hours;

(ii) reinspection fees, $125 per hour, minimum charge $135;

(iii) inspections for which no fee is specifically indicated, $125 per hour, minimum one-half hour, minimum charge $135;

(iv) changes or revisions to approved plans with no increase in work scope, $125 per hour, minimum charge one hour; and

(v) changes to approved plans with a change in work scope, fees shall be assessed for change in valuation based upon the absolute value of the change work scope in accordance with the fee schedule as if the change in scope were a new project.

(b) If the actual cost to the jurisdiction under paragraph (a), clause (3), is greater than indicated by the schedule, the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

Sec. 21. Minnesota Statutes 2024, section 326B.986, subdivision 9, is amended to read:

Subd. 9. **Boiler and pressure vessel registration fee.** The annual registration fee for boilers and pressure vessels in use and required to be inspected per section 326B.958 shall be ~~$10~~ $25 per boiler and pressure vessel.

Sec. 22. Minnesota Statutes 2024, section 327.31, is amended by adding a subdivision to read:

Subd. 24. **Sale.** "Sale" means:

(1) the passing of title from one person to another for consideration;

(2) an agreement to sell under which possession is delivered to the buyer but title is retained by the seller;

(3) an agreement to rent or lease a manufactured home where the lessee becomes the owner of the manufactured home after a set period of time or has the option to purchase the manufactured home for an additional lump sum at the end of the agreement term; or

(4) a legally binding executory agreement to make a sale.

Sec. 23. Minnesota Statutes 2024, section 327.32, subdivision 1a, is amended to read:

Subd. 1a. **Requirement; used manufactured homes.** (a) No person shall sell or offer for sale in this state any used manufactured home manufactured after June 14, 1976, or install for occupancy any used manufactured home manufactured after June 14, 1976, unless the used manufactured home

complies with the Notice of Compliance Form for a used manufactured home as provided in this subdivision. ~~If manufactured after June 14, 1976, the home must bear a label or data plate as required by the secretary. The Notice of Compliance Form shall be signed by the seller and purchaser indicating which party is responsible for either making or paying for any necessary corrections prior to the sale and transferring ownership of the manufactured home.~~

~~The Notice of Compliance Form shall be substantially in the following form:~~

~~"Notice of Compliance Form as required in Minnesota Statutes, section 327.32, subdivision 1~~

~~This notice must be completed and signed by the purchaser(s) and the seller(s) of the used manufactured home described in the purchase agreement and on the bottom of this notice before the parties transfer ownership of a used manufactured home constructed after June 14, 1976.~~

~~Electric ranges and clothes dryers must have required four conductor cords and plugs. For the purpose of complying with the requirements of section 327B.06, a licensed retailer or limited retailer shall retain at least one copy of the form required under this subdivision.~~

~~Complies ..... Correction required .....~~
~~Initialed by Responsible Party: Buyer ..... Seller .....~~

~~Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code of Federal Regulations, title 24, section 3280.709 (g), and installed correctly in accordance with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc., Code of Federal Regulations, title 24, section 3280.709 (g)).~~

~~Complies ..... Correction required .....~~
~~Initialed by Responsible Party: Buyer ..... Seller .....~~

~~Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal Regulations, title 24, section 3280.709 (a) and (d)(1) and (2), and installed correctly, in accordance with their listing or standards.~~

~~Complies ..... Correction required .....~~
~~Initialed by Responsible Party: Buyer ..... Seller .....~~

~~Smoke alarms are required to be installed and operational in accordance with Code of Federal Regulations, title 24, section 3280.208.~~

~~Complies ..... Correction required .....~~
~~Initialed by Responsible Party: Buyer ..... Seller .....~~

~~Carbon monoxide alarms or CO detectors that are approved and operational are required to be installed within ten feet of each room lawfully used for sleeping purposes.~~

~~Complies ..... Correction required .....~~
~~Initialed by Responsible Party: Buyer ..... Seller .....~~

~~Egress windows are required in every bedroom with at least one operable window with a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with the bottom of windows~~

~~opening no more than 36 inches above the floor. Locks, latches, operating handles, tabs, or other operational devices shall not be located more than 54 inches above the finished floor.~~

~~Complies .....~~ ~~Correction required .....~~
~~Initialed by Responsible Party: Buyer .....~~ ~~Seller .....~~

~~The furnace compartment of the home is required to have interior finish with a flame spread rating not exceeding 25, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.~~

~~Complies .....~~ ~~Correction required .....~~
~~Initialed by Responsible Party: Buyer .....~~ ~~Seller .....~~

~~The water heater enclosure in this home is required to have interior finish with a flame spread rating not exceeding 25, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.~~

~~Complies .....~~ ~~Correction required .....~~
~~Initialed by Responsible Party: Buyer .....~~ ~~Seller .....~~

~~The home complies with the snowload and heat zone requirements for the state of Minnesota as indicated by the data plate.~~

~~Complies .....~~ ~~Correction required .....~~
~~Initialed by Responsible Party: Buyer .....~~ ~~Seller .....~~

~~The parties to this agreement have initialed all required sections and agree by their signature to complete any necessary corrections prior to the sale or transfer of ownership of the home described below as listed in the purchase agreement. The state of Minnesota or a local building official has the authority to inspect the home in the manner described in Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was properly executed as provided under the Manufactured Home Building Code.~~

~~Signature of Purchaser(s) of Home~~

~~.....date.....~~ ~~.....date.....~~
~~.....~~ ~~.....~~
~~Print name as appears on purchase agreement~~ ~~Print name as appears on purchase agreement~~
~~Signature of Seller(s) of Home~~

~~.....date.....~~ ~~.....date.....~~
~~.....~~ ~~.....~~
~~Print name and license number, if applicable~~ ~~Print name and license number, if applicable~~
~~(Street address of home at time of sale)~~

~~. . . . . .~~
~~(City/State/Zip) . . . . . .~~
~~Name of manufacturer of home . . . . . .~~
~~Model and year . . . . . .~~
~~Serial number . . . . . .~~ "

(b) No dealer, limited dealer, retailer, limited retailer, broker, or any seller associated with a dealer, limited dealer, retailer, limited retailer, or broker shall sell or offer for sale in this state a used manufactured home manufactured after June 14, 1976, or install for occupancy a used manufactured home manufactured after June 14, 1976, unless they have:

(1) completed and submitted to the commissioner the Notice of Compliance Form for a used manufactured home as provided in this subdivision; and

(2) paid the Notice of Compliance Form for a used manufactured home filing fee.

(c) If manufactured after June 14, 1976, the home must bear a label or data plate as required by the secretary, or a replacement label issued by the commissioner and a data plate as required by the secretary. The Notice of Compliance Form for a Used Manufactured Home shall be completed and signed by the purchaser(s) and seller(s) and shall confirm the requirements of this subdivision have been met. To comply with section 326B.606, a licensed dealer, limited dealer, or seller shall retain at least one copy of the notice.

(d) The dealer, park owner, or seller may contract with a licensed electrician or master electrician, or licensed electrical engineer to complete the electrical portions of the compliance form. The dealer or seller may contract with a bonded mechanical contractor registered with the Department of Labor and Industry to complete the heating, ventilation, and air conditioning portions of the compliance form. The dealer, park owner, or seller may contract with a licensed plumber or master plumber, or mechanical engineer to complete the plumbing portions of the compliance form.

(e) The commissioner shall establish and make available a Notice of Compliance Form for a Used Manufactured Home, as prescribed in this section, that must be used to meet the requirements of this subdivision. The form must confirm that the requirements in paragraphs (f) to (j) are met.

(f) Life and safety requirements:

(1) smoke alarms are installed and operational in accordance with Code of Federal Regulations, title 24, section 3280.208;

(2) carbon monoxide alarms or carbon monoxide detectors are approved and operational and are installed within ten feet of each room lawfully used for sleeping purposes;

(3) egress windows are in every bedroom with at least one operable window with a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with the bottom of windows opening no more than 36 inches above the floor. Locks, latches, operating handles, tabs, or other operational devices are located more than 54 inches above the finished floor; and

(4) exterior doors, including sliding glass exterior doors, are operable and provide code compliant access to grade.

(g) Electrical requirements:

(1) distribution panels are installed in compliance with the approved listing, complete with required breakers or fuses, with all unused openings covered with blank covers approved and listed for that purpose. Connections have been checked for tightness. Panels are readily accessible;

(2) the electrical system, including switches, receptacles, fixtures, and devices, is installed, wired, and supported in accordance with code requirements at the time the electrical system was installed and is in safe and functional condition;

(3) the used manufactured home has been subjected to:

(i) an electrical continuity test to assure that all metallic parts are bonded in accordance with code requirements; and

(ii) an electrical operational test to demonstrate that all fixtures and equipment except water heaters, ranges, air conditioners and electric furnaces are connected and in working order;

(4) the dealer, park owner, or seller may, in lieu of inspecting the electrical and heating systems of a used manufactured home, request an electrical and heating inspection by a qualified third party. Approval by the qualified third party is accepted as compliance with those portions of the safety standards under the code that pertain to electrical and heating systems; and

(5) electric ranges and clothes dryers have the required four-conductor cords and plugs.

(h) Plumbing requirements:

(1) fixtures:

(i) all plumbing fixtures are protected with approved workable "p" traps;

(ii) all plumbing fixtures are in a workable condition and vented through the roof in accordance with code requirements at the time the plumbing was installed; and

(iii) an antisiphon trap vent device or mechanical vent may be used to vent single fixtures, except water closets;

(2) water supply:

(i) water piping is not bent or kinked so as to retard or obstruct the flow of the water supply;

(ii) the under-floor water supply piping is connected to the manufactured home's water supply connection and to the site's water service supply piping in accordance with code requirements at the time the plumbing was installed, except when the manufactured home is being installed or reinstalled;

(iii) the under-floor water supply piping is supported in accordance with code requirements at the time the plumbing was installed, except when the manufactured home is being installed or reinstalled; and

(iv) the under-floor water supply piping is protected from freezing, except when the manufactured home is being installed or reinstalled;

(3) drain waste:

(i) drain waste piping is in working condition;

(ii) the under-floor drain waste piping is connected to the manufactured home's drain waste outlet or outlets and to the site's service utility piping in accordance with code requirements at the time the plumbing was installed, except when the manufactured home is being installed or reinstalled; and

(iii) the under-floor drain waste piping is supported and sloped in accordance with code requirements at the time the plumbing was installed, except when the manufactured home is being installed or reinstalled; and

(4) water heating:

(i) the water heater is listed for manufactured home use under Code of Federal Regulations, title 24, section 3280.709(a) and (d)(1) and (2), and installed correctly, in accordance with federal standards;

(ii) the water heater is equipped with an approved listed relief valve to provide temperature and pressure relief;

(iii) the water heater enclosure in the manufactured home is completed with an interior finish having a flame spread rating not exceeding 25, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction; and

(iv) water heater venting systems are in a safe and operable condition. Products of combustion venting do not terminate within a roof, wall, or floor cavity.

(i) Heat-producing equipment requirements:

(1) the furnace is listed for manufactured home use under Code of Federal Regulations, title 24, section 3280.709(a) and (d)(1) and (2), and installed correctly, in accordance with the federal regulations;

(2) heating equipment such as a furnace, wall heater, or thermostat are in safe and operable condition. All ducts are in usable, not collapsed condition, with all exterior and interior joints and furnace connections mechanically secure and sealed; and

(3) the furnace venting systems are in a safe and operable condition. Products of combustion venting do not terminate within a roof, wall, floor, or under-floor area.

(j) General requirements:

(1) fuel gas piping:

(i) fuel gas supply piping is not bent or kinked so as to obstruct the flow of the fuel gas or leak;

(ii) the under-floor fuel gas supply piping is connected to the manufactured home's fuel gas supply connection and to the site's fuel gas service supply piping in accordance with code requirements at the time the gas piping was installed, except when the manufactured home is being installed or reinstalled; and

(iii) the under-floor fuel gas supply piping is supported in accordance with code requirements at the time the gas piping was installed, except when the manufactured home is being installed or reinstalled;

(2) solid fuel-burning fireplaces or stoves are listed for use in manufactured homes under Code of Federal Regulations, title 24, section 3280.709(g), and installed correctly in accordance with the federal regulations, including chimney, doors, hearth, combustion, or intake;

(3) all exhaust vents are operable;

(4) insulation missing from exposed areas has been replaced and all holes in bottom board have been securely sealed;

(5) exterior roof and wall systems prevent bulk water infiltration;

(6) water-damaged areas and holes in the subfloor have been replaced; and

(7) the home complies with code requirements for snowload and heat zone requirements as indicated by the data plate.

Sec. 24. Minnesota Statutes 2024, section 327.32, subdivision 1e, is amended to read:

Subd. 1e. **Reinstallation requirements for used manufactured homes.** (a) All used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the used manufactured home.

(b) The installer or licensed residential building contractor shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885; 326B.22, subdivision 2; and 326B.23, subdivision 2. Fees for review of plans, specifications, and on-site inspections shall be those as specified in ~~section 326B.153, subdivision 1, paragraph (c)~~ sections 326B.22, subdivision 2, and 326B.37, subdivision 4. Whenever an installation certificate for an above frost-line installation is issued to a used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

(c) An installation seal may be issued to a residential building contractor licensed under section 326B.805 for use in the installation of used manufactured homes only after the qualifying person for the residential building contractor has completed a three-hour training course relating to the installation of manufactured homes that has been approved by either the United States Department of Housing and Urban Development or by the commissioner. The course completion certificate shall be submitted to the commissioner. For the purposes of this subdivision, "qualifying person" has the meaning given in section 326B.802, subdivision 10.

Sec. 25. Minnesota Statutes 2024, section 327.32, subdivision 7, is amended to read:

Subd. 7. **Enforcement.** All jurisdictions enforcing the State Building Code, in accordance with sections 326B.101 to 326B.151, shall undertake or provide for the administration and enforcement of the manufactured home installation rules promulgated by the commissioner. Municipalities which have adopted the State Building Code may provide installation inspection and plan review services in ~~noncode~~ areas of the state without local building code enforcement.

Sec. 26. Minnesota Statutes 2024, section 327.33, subdivision 1, is amended to read:

Subdivision 1. **Inspections.** The commissioner shall, through the department's inspectors or through a designated recognized inspection service acting as authorized representative of the commissioner perform ~~sufficient~~ inspections of manufacturing premises and manufactured homes to ensure compliance with sections 327.31 to 327.35. The commissioner shall have the exclusive right to conduct inspections, except for the inspections conducted or authorized by the secretary.

Sec. 27. Minnesota Statutes 2024, section 327.33, subdivision 2, is amended to read:

Subd. 2. **Fees.** Unless otherwise established in this section, the commissioner ~~shall~~ may by rule establish reasonable fees for seals, installation seals, Notice of Compliance Form for a used manufactured home filing, and inspections which are sufficient to cover all costs incurred in the administration of sections 327.31 to 327.35. The commissioner ~~shall~~ may also establish by rule a monitoring inspection fee in an amount that will comply with the secretary's fee distribution program. This monitoring inspection fee shall be an amount paid by the manufacturer for each manufactured home produced in Minnesota. The monitoring inspection fee shall be paid by the manufacturer to the secretary. The rules of the fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees for inspections in areas that have not adopted the State Building Code must be equal to the fees for inspections in code areas of the state. Third-party vendors may charge their usual and normal charge for inspections.

Sec. 28. Minnesota Statutes 2024, section 327.33, subdivision 2a, is amended to read:

Subd. 2a. **Construction seal fees.** Replacement manufactured home or accessory structure construction seal fees, including certificates, are ~~$30~~ $70 per seal.

Sec. 29. Minnesota Statutes 2024, section 327.33, subdivision 2b, is amended to read:

Subd. 2b. **Installation seal fees.** Manufactured home installation seal fees, including anchoring and support and including certificates, are ~~$80~~ $325.

Sec. 30. Minnesota Statutes 2024, section 327.33, subdivision 2c, is amended to read:

Subd. 2c. **Temporary installation certificate fees.** A temporary certificate fee is ~~$2~~ $15 per certificate.

Sec. 31. Minnesota Statutes 2024, section 327.33, is amended by adding a subdivision to read:

Subd. 2f. **Notice of Compliance Form for a used manufactured home filing fee.** The Notice of Compliance Form for a used manufactured home filing fee is $100 for each form submitted to the commissioner.

Sec. 32. Minnesota Statutes 2024, section 327.33, is amended by adding a subdivision to read:

Subd. 2g. **Installation plan review and inspection fee.** The plan review and inspection fee for the commissioner's plan review and inspection of new and used installed or reinstalled manufactured homes and manufactured home accessory structures in areas of the state without local building code enforcement is $1,200.

Sec. 33. Minnesota Statutes 2024, section 327B.01, subdivision 1, is amended to read:

Subdivision 1. **Terms.** As used in sections 327B.01 to 327B.12 the terms defined in this section have the meanings given ~~them~~.

Sec. 34. Minnesota Statutes 2024, section 327B.01, is amended by adding a subdivision to read:

Subd. 1a. **Authorized representative.** "Authorized representative" means a person, firm, or corporation, or employee of a firm or corporation, approved or hired by the commissioner of labor and industry.

Sec. 35. Minnesota Statutes 2024, section 327B.01, subdivision 7, is amended to read:

Subd. 7. **Dealer or retailer.** "Dealer" or "retailer" means any person who engages in the business, either exclusively or in addition to any other occupation, of selling, distributing, or brokering manufactured homes, new or used, or who offers to sell, solicit, broker or advertise the sale of manufactured homes, new or used.

Sec. 36. Minnesota Statutes 2024, section 327B.01, is amended by adding a subdivision to read:

Subd. 7a. **Distributor.** "Distributor" means a person engaged in the sale and distribution of manufactured homes for resale.

Sec. 37. Minnesota Statutes 2024, section 327B.01, is amended by adding a subdivision to read:

Subd. 10b. **Installation.** "Installation" of a manufactured home means installation or reinstallation, at the site of occupancy, of all portions of a manufactured home, connection of the manufactured home to existing utility connections, and installation of support and anchoring systems.

Sec. 38. Minnesota Statutes 2024, section 327B.01, is amended by adding a subdivision to read:

Subd. 13c. **Manufactured home installer.** "Manufactured home installer" means a person, firm, or corporation licensed by the state of Minnesota that installs or repairs a manufactured home for others at the site of occupancy.

Sec. 39. Minnesota Statutes 2024, section 327B.01, is amended by adding a subdivision to read:

Subd. 17a. **Purchaser.** "Purchaser" means the first individual purchasing a manufactured home in good faith for purposes other than resale.

Sec. 40. Minnesota Statutes 2024, section 327B.01, subdivision 19, is amended to read:

Subd. 19. **Salesperson.** "Salesperson" means a person who acts on behalf of a dealer in performing any act ~~which~~ that sections 327B.01 to 327B.12 authorize or require to be performed by a dealer.

Sec. 41. Minnesota Statutes 2024, section 327B.04, subdivision 3, is amended to read:

Subd. 3. **License application; manufacturer and dealer.** Application for a license to act as a manufacturer or dealer and its renewal shall be made to the commissioner, shall be in writing, and duly verified by oath. The applicant shall submit any information required by the commissioner, upon forms provided by the commissioner for that purpose, including:

(a) proof of identity;

(b) the name under which the applicant will be licensed and do business in this state;

(c) the applicant's type and place of business;

(d) the name, home and business address of the applicant's directors, officers, limited and general partners, controlling shareholders and affiliates;

(e) whether the applicant, or any of its directors, officers, limited or general partners, controlling shareholders or affiliates, has been convicted of a crime within the previous ten years that either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and

(f) the applicant's qualifications and business history, including whether the applicant, or any of its directors, officers, limited or general partners, controlling shareholders or affiliates has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them.

Sec. 42. Minnesota Statutes 2024, section 327B.04, subdivision 4, is amended to read:

Subd. 4. **License prerequisites.** No application shall be granted nor license issued to act as a manufacturer or dealer until the applicant proves to the commissioner that:

(a) the applicant has a permanent, established place of business at each licensed location. An "established place of business" means a permanent enclosed building other than a residence, or a commercial office space, either owned by the applicant or leased by the applicant for a term of at least one year, located in an area where zoning regulations allow commercial activity, and where the books, records and files necessary to conduct the business are kept and maintained. The owner of a licensed manufactured home park who resides in or adjacent to the park may use the residence as the established place of business required by this subdivision, unless prohibited by local zoning ordinance.

If a license is granted, the licensee may use unimproved lots and premises for sale, storage, and display of manufactured homes, if the licensee first notifies the commissioner in writing;

(b) if the applicant desires to sell, solicit or advertise the sale of new manufactured homes, it has a bona fide contract or franchise in effect with a manufacturer or distributor of the new manufactured home it proposes to deal in;

(c) the applicant has secured: (1) a surety bond in the amount of $20,000 for each agency and each subagency location that bears the applicant's name and the name under which the applicant will be licensed and do business in this state. Each bond is for the protection of consumer customers, and must be executed by the applicant as principal and issued by a surety company admitted to do business in this state. Each bond shall be exclusively for the purpose of reimbursing consumer customers and shall be conditioned upon the faithful compliance by the applicant with all of the laws and rules of this state pertaining to the applicant's business as a dealer or manufacturer, including sections 325D.44, 325F.67 and 325F.69, and upon the applicant's faithful performance of all its legal obligations to consumer customers; and (2) a certificate of liability insurance in the amount of $1,000,000 that provides aggregate coverage for the agency and each subagency location. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured;

(d) the applicant has established a trust account as required by section 327B.08, subdivision 3, unless the applicant states in writing its intention to limit its business to selling, offering for sale, soliciting or advertising the sale of new manufactured homes; and

(e) the applicant has provided evidence of having had at least two years' prior experience in the sale of manufactured homes, working for a licensed dealer. The applicant does not have to satisfy the two-year prior experience requirement if:

(1) the applicant sells or brokers used manufactured homes as permitted under section 327B.01, subdivision 7; or

(2) the applicant:

(i) has met all other licensing requirements;

(ii) is the owner of a manufactured home park; and

(iii) is selling new manufactured homes installed in the manufactured home park that the applicant owns.

Sec. 43. Minnesota Statutes 2024, section 327B.04, subdivision 6, is amended to read:

Subd. 6. **Certificate of license; manufacturer and dealer.** For each license granted to act as a manufacturer or dealer the commissioner shall issue a certificate which includes the name of the licensee, the name of the surety company and the amount of the surety bond, and the insurance underwriter and policy number, the names and addresses of any related principal or subagencies, and a license number.

Sec. 44. Minnesota Statutes 2024, section 327B.04, subdivision 7a, is amended to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section shall be ~~calculated pursuant to section 326B.092.~~ for two years and the following fees apply:

(1) manufacturer's license and dealer's license, $180;

(2) dealer's subagency license, $80; and

(3) limited dealer's license, $100.

(b) All initial limited dealer licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made.

~~(c) For the purposes of calculating fees under section 326B.092, any license issued under this section is a business license, except that a subagency license is a master license. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of limited dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer licenses shall be two-year licenses.~~

Sec. 45. Minnesota Statutes 2024, section 327B.041, is amended to read:

327B.041 MANUFACTURED HOME INSTALLERS.

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

(1) manufactured home installers are not subject to the continuing education requirements of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the ~~Minnesota Manufactured Housing Association~~ Manufactured and Modular Home Association of Minnesota;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other

state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7.

Sec. 46. Minnesota Statutes 2024, section 327B.05, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** In addition to the grounds in section 326B.082, subdivision 11, the commissioner may by order deny, suspend, limit, place conditions on, or revoke the application or license of any applicant or licensee or any of its directors, officers, limited or general partners, controlling shareholders, or affiliates for any of the following grounds:

~~(a)~~ (1) has violated any of the provisions of sections 327B.01 to 327B.12 or any rule or order issued by the commissioner or any prior law providing for the licensing of manufactured home dealers or manufacturers;

~~(b)~~ (2) has had a previous manufacturer or dealer license revoked in this or any other state;

~~(c)~~ (3) has engaged in acts or omissions which have been adjudicated or amount to a violation of any of the provisions of section 325D.44, 325F.67 or 325F.69;

~~(d)~~ (4) has sold or brokered the sale of a home containing a material violation of sections 327.31 to 327.35 ~~about which~~ that the dealer knew of or ~~which should have been obvious to a reasonably prudent dealer~~ could have known of with the exercise of reasonable diligence;

~~(e)~~ (5) has failed to make or provide all listings, notices and reports required by the commissioner;

~~(f)~~ (6) has failed to pay a civil penalty assessed under subdivision 5 within ten days after the assessment becomes final;

~~(g)~~ (7) has failed to pay to the commissioner or other responsible government agency all taxes, fees and arrearages due;

~~(h)~~ (8) has failed to duly apply for license renewal;

~~(i)~~ (9) has violated any applicable manufactured home building or safety code;

~~(j)~~ (10) has failed or refused to honor any express or implied warranty as provided in section 327B.03;

~~(k)~~ (11) has failed to continuously occupy a permanent, established place of business licensed under section 327B.04;

~~(l)~~ (12) has, without first notifying the commissioner, sold a new and unused manufactured home other than the make of manufactured home described in a franchise or contract filed with the application for license or license renewal;

~~(m)~~ (13) has wrongfully failed to deliver a certificate of title to a person entitled to it;

~~(n)~~ (14) is insolvent or bankrupt;

~~(o)~~ (15) holds an impaired or canceled bond;

~~(p)~~ (16) has failed to notify the commissioner of bankruptcy proceedings within ten days after a petition in bankruptcy has been filed by or against the dealer or manufacturer;

~~(q)~~ (17) has, within the previous ten years, been convicted of a crime that either related directly to the business of the dealer or manufacturer or involved fraud, misrepresentation or misuse of funds;

~~(r)~~ (18) has suffered a judgment within the previous five years in a civil action involving fraud, misrepresentation or misuse of funds; or

~~(s)~~ (19) has failed to reasonably supervise any employee or agent of the dealer or manufacturer, resulting in injury or harm to the public.

The commissioner may establish rules pursuant to section 327B.10 further specifying, defining or establishing standards of conduct for manufactured home dealers and manufacturers.

ARTICLE 3

LABOR AND INDUSTRY - MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 177.253, subdivision 1, is amended to read:

Subdivision 1. **Rest breaks.** An employer must allow each employee ~~adequate time from work~~ a rest break of at least 15 minutes or enough time to utilize the nearest convenient restroom, whichever is longer, within each four consecutive hours of work ~~to utilize the nearest convenient restroom~~.

Sec. 2. Minnesota Statutes 2024, section 177.253, is amended by adding a subdivision to read:

Subd. 3. **Remedies.** (a) If an employer does not provide rest breaks to an employee as required by this section and related rules, the employer is liable to the employee for the rest break time that should have been provided at the employee's regular rate of pay, plus an additional equal amount as liquidated damages.

(b) In addition to the remedies in paragraph (a), the commissioner may assess a penalty of up to $1,000 per employee per day during which rest breaks are not provided as required by this section.

Sec. 3. Minnesota Statutes 2024, section 177.254, subdivision 1, is amended to read:

Subdivision 1. **Meal break.** An employer must ~~permit~~ allow each employee who is working for ~~eight~~ six or more consecutive hours ~~sufficient time to eat~~ a meal break of at least 30 minutes.

Sec. 4. Minnesota Statutes 2024, section 177.254, subdivision 2, is amended to read:

Subd. 2. **Payment not required.** Except for subdivision 4, nothing in this section requires the employer to pay the employee during the meal break.

Sec. 5. Minnesota Statutes 2024, section 177.254, is amended by adding a subdivision to read:

Subd. 4. **Remedies.** (a) If an employer does not provide meal breaks to an employee as required by this section and related rules, the employer is liable to the employee for the meal break time that should have been provided at the employee's regular rate of pay, plus an additional equal amount as liquidated damages.

(b) In addition to the remedies in paragraph (a), the commissioner may assess a penalty of up to $1,000 per employee per day during which meal breaks are not provided as required by this section.

Sec. 6. **MISCLASSIFICATION FRAUD IMPACT REPORT.**

(a) Every two years, the commissioners of revenue, employment and economic development, and labor and industry may coordinate to conduct an analysis of the costs of misclassification to illustrate how misclassification impacts misclassified workers, government programs, and tax collections.

(b) By January 15 of every odd-numbered year, beginning January 15, 2027, the commissioner of labor and industry may report on the analysis performed under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, workforce, and labor. The commissioner of labor and industry may contract with external experts or an independent third party to conduct a study, develop a report, and perform other functions.

(c) At a minimum, the study and report must provide:

(1) an estimate of the number of workers experiencing misclassification in Minnesota;

(2) an estimate of the cost of misclassification to impacted workers;

(3) an estimate of the prevalence of misclassification by industry; and

(4) an estimate of the impact to:

(i) the unemployment insurance trust fund;

(ii) the family and medical benefit insurance account;

(iii) state income tax collection;

(iv) the workers' compensation fund; and

(v) the workforce development fund.

(d) Data and information relevant to the required report elements in paragraph (c) must be provided to the commissioner of labor and industry for purposes of the study and report, including, but not limited to, the following:

(1) from the Department of Employment and Economic Development, information and data relevant to:

(i) the unemployment insurance trust fund;

(ii) the family and medical benefit insurance account;

(iii) unemployment insurance program audits and findings; and

(iv) the workforce development fund;

(2) from the Department of Revenue, information and data relevant to:

(i) misclassification tax audits and findings;

(ii) income tax collection; and

(iii) 1099 filings; and

(3) from the Department of Labor and Industry, information and data relevant to:

(i) misclassification complaints, investigations, and findings; and

(ii) the workers' compensation fund.

ARTICLE 4

UNDERGROUND TELECOMMUNICATIONS INSTALLERS

Section 1. Minnesota Statutes 2024, section 326B.198, subdivision 2, is amended to read:

Subd. 2. **Installation requirements.** (a) The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities must be performed by safety-qualified underground telecommunications installers as follows:

(1) the location of existing utilities by hand- or hydro-excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer; and

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer~~; and~~.

~~(3) no fewer than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.~~

~~(b) Beginning July 1, 2025, all installations of underground telecommunications infrastructure subject to this subdivision within the seven-county metropolitan area must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.~~

~~(c)~~ (b) Beginning January 1, 2026, all installations of underground telecommunications infrastructure subject to this subdivision within this state must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

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

Sec. 2. Minnesota Statutes 2024, section 326B.198, subdivision 3, is amended to read:

Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry, in consultation with the Office of Broadband, shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand- or hydro-excavation or other accepted methods;

(iii) response to line strike incidents;

(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.

(c) An approved training provider may apply for approval of classroom instruction course material delivered up to two years prior to becoming an approved training provider and before January 1, 2026, as being equivalent or substantially equivalent to classroom instruction course material that is contained in the approved program. An application must provide a copy of all written materials used for the training for which equivalent credit is sought, the specific subjects covered in the training, the name and qualifications of the training provider, a description of the delivery method for the training, and the date of the training. Once approved, a training provider may grant full or partial retroactive credit for completion of classroom instruction training delivered prior to the commissioner's decision to approve a program. A person granted retroactive credit must successfully complete the examination that the training provider is approved to administer in order to be certified as a safety-qualified underground telecommunications installer.

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

Amend the title as follows:

Page 1, line 4, after "changes;" insert "modifying provisions governing the certification of underground telecommunications installers;"

Amend the title numbers accordingly

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

Senator McEwen from the Committee on Labor, to which was re-referred

S.F. No. 2149: A bill for an act relating to labor and industry; making policy and technical changes; modifying earned sick and safe time provisions; amending Minnesota Statutes 2024, sections 177.27, subdivision 5; 181.9445, subdivision 6; 181.9446; 181.9447, subdivisions 2, 3, 4; 181.9448, subdivision 1; 326B.0981, subdivision 4; 326B.31, subdivision 29; 326B.33, subdivision 21; 326B.36, subdivision 7.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 181.173, subdivision 2, is amended to read:

Subd. 2. **Salary ranges in job postings required.** (a) An employer must disclose in each posting for each job opening with the employer the starting salary range, and a general description of all of the benefits and other compensation, including but not limited to any health or retirement benefits, to be offered to a hired job applicant, as well as whether a hired job applicant will be offered a health plan option that complies with the cost-sharing limits under section 62Q.481, subdivision 1.

(b) An employer that does not plan to offer a salary range for a position must list a fixed pay rate. A salary range may not be open ended.

Sec. 2. Minnesota Statutes 2024, section 181.211, subdivision 7, is amended to read:

Subd. 7. **Nursing home.** "Nursing home" means a nursing home licensed under chapter 144A and reimbursed under chapter 256R, or a boarding care home licensed under sections 144.50 to 144.56 and reimbursed under chapter 256R.

Sec. 3. Minnesota Statutes 2024, section 181.211, subdivision 8, is amended to read:

Subd. 8. **Nursing home employer.** "Nursing home employer" means an employer of nursing home workers in a ~~licensed, Medicaid-certified facility that is reimbursed under chapter 256R~~ nursing home as defined under subdivision 7.

Sec. 4. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 1a. **Abuse.** "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to programs of a state agency or political subdivision. Abuse may involve paying for items or services when there is no legal entitlement to that payment.

Sec. 5. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 3a. **Fraud.** "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by a state agency or political subdivision.

Sec. 6. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 7. **Waste.** "Waste" means practices that, directly or indirectly, result in unnecessary costs to programs of a state agency or political subdivision, such as misusing resources.

Sec. 7. Minnesota Statutes 2024, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(1) the employee, or a person acting on behalf of an employee, in good faith, reports a violation, suspected violation, or planned violation of any federal or state law or common law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(2) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(3) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason;

(4) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm;

(5) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official; ~~or~~

(6) ~~an~~ a public employee ~~in the classified service of state government~~ communicates information that the public employee, in good faith, believes to be truthful and accurate, and that relates to ~~state~~ public services, including the financing of ~~state~~ public services, to:

(i) a legislator or the legislative auditor; or

(ii) a constitutional officer~~.~~; or

(7) a public employee, in good faith, reports fraud, waste, or abuse in programs of a state agency or political subdivision to the employer, any governmental body, a law enforcement official, the legislative auditor, a member of the legislature, or a constitutional officer.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

Sec. 8. Minnesota Statutes 2024, section 181.9445, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who is anticipated by the employer to perform work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor;

(2) an individual who is a volunteer firefighter or paid on-call firefighter, with a department charged with the prevention or suppression of fires within the boundaries of the state; is a volunteer ambulance attendant as defined in section 144E.001, subdivision 15; or is an ambulance service personnel as defined in section 144E.001, subdivision 3a, who serves in a paid on-call position;

(3) an individual who is an elected official or a person who is appointed to fill a vacancy in an elected office as part of a legislative or governing body of Minnesota or a political subdivision; or

(4) an individual employed by a farmer, family farm, or a family farm corporation to provide physical labor on or management of a farm if: (i) the farmer, family farm, or family farm corporation employs five or fewer employees; or (ii) the individual is employed by the farmer, family farm, or family farm corporation to perform work for 28 days or less each year.

Sec. 9. Minnesota Statutes 2024, section 326B.0981, subdivision 4, is amended to read:

Subd. 4. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) or the International ~~Association~~ Accreditors for Continuing Education and Training (IACET) before the course is submitted for the commissioner's approval. The approval must accompany the course submitted.

(b) Paragraphs (a) and (d) do not apply to approval of an Internet continuing education course for manufactured home installers. An Internet continuing education course for manufactured home installers must be approved by the United States Department of Housing and Urban Development or by the commissioner of labor and industry. The approval must accompany the course completion certificate issued to each student by the course sponsor.

(c) Paragraph (a) does not apply to approval of an Internet continuing education course for elevator constructors. An Internet continuing education course for elevator constructors must be approved by the commissioner of labor and industry. The approval must accompany the course completion certificate issued to each student by the course sponsor.

(d) An Internet continuing education course must:

(1) specify the minimum computer system requirements;

(2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;

(3) include technology to guarantee seat time;

(4) include a high level of interactivity;

(5) include graphics that reinforce the content;

(6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;

(7) include the ability for the student to get technical support within a reasonable amount of time;

(8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;

(9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;

(10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;

(11) include a process to authenticate the student's identity;

(12) inform the student and the commissioner how long after its purchase a course will be accessible;

(13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;

(14) provide clear instructions on how to navigate through the course;

(15) provide automatic bookmarking at any point in the course;

(16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;

(17) include a reinforcement response when a quiz question is answered correctly;

(18) include a response when a quiz question is answered incorrectly;

(19) include a final examination in which the student must correctly answer 70 percent of the questions;

(20) allow the student to go back and review any unit at any time, except during the final examination;

(21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;

(22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient and shall include the name of the provider, date and location of the course, educational program identification that was provided by the department, hours of instruction or continuing education hours, and licensee's or attendee's name and license, certification, or registration number or the last four digits of the licensee's or attendee's Social Security number; and

(23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.

(e) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Sec. 10. Minnesota Statutes 2024, section 326B.31, subdivision 29, is amended to read:

Subd. 29. **Technology circuits or systems.** "Technology circuits or systems" means class 2 or class 3 circuits or systems for, but not limited to, remote control, signaling, control, alarm, and audio signal, including associated components as covered by the National Electrical Code, ~~articles 640, 645, 650, 725, 760, 770, and 780,~~ and which are isolated from circuits or systems other than class 2 or class 3 by a demarcation and are not process control circuits or systems; antenna and communication circuits or systems as covered by ~~chapter 8 of~~ the National Electrical Code; and circuitry and equipment for ~~indoor lighting and outdoor landscape lighting systems that are supplied by the secondary circuit of an isolating power supply operating at 30 volts or less~~ low voltage lighting, limited to a class 2 or class 3 power supply as covered by the National Electrical Code~~, article 411~~. The planning, laying out, installing, altering, and repairing of technology circuits or systems must be performed in accordance with the applicable requirements of the National Electrical Code pursuant to section 326B.35."

Delete the title and insert:

"A bill for an act relating to labor and industry; making policy and technical changes; modifying whistleblower protections for public employees; modifying the definition of employee for purposes of earned sick and safe time; amending Minnesota Statutes 2024, sections 181.173, subdivision 2; 181.211, subdivisions 7, 8; 181.931, by adding subdivisions; 181.932, subdivision 1; 181.9445, subdivision 5; 326B.0981, subdivision 4; 326B.31, subdivision 29."

And when so amended the bill do pass.

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 1959 and 2458 were read the second time.

MEMBERS EXCUSED

Senator Rest was excused from the Session of today from 12:00 noon to 12:05 p.m. Senator Pratt was excused from the Session of today from 12:00 noon to 12:05 p.m. and at 12:10 p.m. Senator Housley was excused from the Session of today at 12:10 p.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 2:00 p.m., Tuesday, April 22, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate