

FORTY-FIRST LEGISLATIVE DAY

St. Paul, Minnesota, Sunday, May 18, 2025

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

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

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

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1959, and repassed said bill in accordance with the report of the Committee, so adopted.

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 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; providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.603, subdivision 1; 197.608, subdivision 6; 197.75, subdivision 1; 197.791, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

Senate File No. 1959 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 17, 2025

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2370, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2370: A bill for an act relating to cannabis; including the Office of Cannabis Management as an agency for the purpose of having a government-to-government relationship with Tribal governments; modifying provisions regarding the sale of cannabinoids derived from hemp; modifying medical cannabis provisions; modifying hemp-derived topical product provisions; modifying cannabis license application requirements; modifying the limits of delta-9 tetrahydrocannabinol in edible cannabinoid products and lower-potency hemp edibles when intended to be consumed as beverages; allowing samples at cannabis events; modifying expungement and resentencing provisions for felony cannabis offenses; amending Minnesota Statutes 2024, sections 10.65, subdivision 2; 151.72, subdivisions 3, 5a; 152.22, subdivisions 4, 7, 10, 13; 152.24; 152.25; 152.26; 152.261; 152.27, subdivisions 2, 7; 152.28, subdivisions 1, 3; 152.29, subdivisions 1, 2, 3a, 4; 152.31; 152.32, subdivision 2; 152.33, subdivisions 1a, 4; 152.35; 152.37; 342.01, subdivisions 9, 47, 50, 71, by adding subdivisions; 342.02, subdivision 3; 342.09, subdivision 2; 342.12; 342.14, subdivisions 1, 3, 6; 342.151, subdivisions 2, 3; 342.22, subdivision 3; 342.28, subdivisions 1, 8; 342.29, subdivisions 1, 7; 342.30, subdivision 1; 342.32, subdivisions 4, 5; 342.33, subdivision 1; 342.40, subdivision 7, by adding a subdivision; 342.43, by adding a subdivision; 342.44, subdivision 1; 342.45, by adding a subdivision; 342.46, subdivision 6; 342.51, subdivision 2, by adding a subdivision; 342.52, subdivision 9, by adding a subdivision; 342.56, subdivision 2; 342.57; 342.59, subdivision 2; 342.61, subdivision 4; 342.63, subdivisions 2, 3, 5, 6; 342.66, subdivision 6; 609A.06, subdivisions 3, 7, 10, 12; repealing Minnesota Statutes 2024, sections 152.22, subdivision 2; 342.151, subdivision 1.

Senate File No. 2370 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 17, 2025

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 4 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1740: A bill for an act relating to education policy; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition and facilities, and state agencies; requiring a report; amending Minnesota Statutes 2024, sections 10A.071, subdivision 1; 13.03, subdivision 3; 13.32, subdivision 5; 120A.22, subdivisions 12, 13, by adding a subdivision; 120A.24, subdivision 4; 120B.021, subdivisions 2, 3; 120B.024; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivision 2; 120B.35, subdivision 3; 120B.363, subdivisions 1, 2; 121A.031, subdivisions 2, 4, 6; 121A.041, subdivisions 2, 3; 121A.22, subdivision 2; 121A.2205; 121A.2207; 121A.224; 121A.23, subdivision 1; 121A.41, subdivision 10; 121A.49; 121A.73; 122A.09, subdivision 9; 122A.092, subdivisions 2, 5; 122A.181, subdivision 3; 122A.182, subdivision 3; 122A.183, subdivision 2; 122A.20, subdivision 2; 122A.441; 123B.09, by adding a subdivision; 123B.32, subdivisions 1, 2; 123B.52, by adding a subdivision; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.111, by adding a subdivision; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124D.792; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivisions 2, 3, 5, 6, 8; 124E.10, subdivision 4; 124E.13, subdivision 3; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.17; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; 125A.0942, subdivisions 4, 6; Laws 2024, chapter 115, article 2, section 21, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 124D; 125A; repealing Minnesota Statutes 2024, sections 120B.124, subdivision 6; 123B.935, subdivision 2.

There has been appointed as such committee on the part of the House:

Jordan, Hill, Bennett and Lawrence.

Senate File No. 1740 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned May 17, 2025

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Abeler, Utke, Hoffman, Rarick, and Fateh introduced--

S.F. No. 3533: A bill for an act relating to agriculture; appropriating money for the Slow the Spread program to manage spengy moth populations.

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

Senators Abeler, Utke, Miller, Hoffman, and Rarick introduced--

S.F. No. 3534: A bill for an act relating to agriculture; appropriating money for the Slow the Spread program to manage spongy moth populations.

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

Senators Latz, Abeler, and Frentz introduced--

S.F. No. 3535: A bill for an act relating to consumer protection; allowing senior citizens and disabled persons to recover from insurers under a disability or long-term care policy; amending Minnesota Statutes 2024, section 325F.71, subdivision 1, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senator Oumou Verbeten introduced--

S.F. No. 3536: A bill for an act proposing an amendment to the Minnesota Constitution, article I, section 2; prohibiting slavery or involuntary servitude as criminal punishment for a crime.

Referred to the Committee on Judiciary and Public Safety.

Senator Oumou Verbeten introduced--

S.F. No. 3537: A bill for an act relating to capital investment; appropriating money for replacement of the eastbound Kellogg Boulevard bridge in the city of St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Hauschild introduced--

S.F. No. 3538: A bill for an act relating to capital investment; appropriating money for wastewater treatment facility improvements in the city of Grand Marais; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Johnson moved that the name of Senator Eichorn be stricken as chief author and the name of Senator Heintzeman be added as chief author to S.F. No. 423. The motion prevailed.

Senator Johnson moved that the name of Senator Eichorn be stricken as chief author and the name of Senator Heintzeman be added as chief author to S.F. No. 1332. The motion prevailed.

Senator Putnam moved that the name of Senator Boldon be added as a co-author to S.F. No. 1498. The motion prevailed.

Senator Johnson moved that the name of Senator Eichorn be stricken as chief author and the name of Senator Heintzeman be added as chief author to S.F. No. 1525. The motion prevailed.

Senator Johnson moved that the name of Senator Eichorn be stricken as chief author and the name of Senator Heintzeman be added as chief author to S.F. No. 1527. The motion prevailed.

Senator Klein moved that his name be stricken as a co-author to S.F. No. 2498. The motion prevailed.

Senator Pappas moved that the names of Senators Maye Quade and Marty be added as co-authors to S.F. No. 3461. The motion prevailed.

Senator Westlin moved that the name of Senator Boldon be added as a co-author to S.F. No. 3531. 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:

S.F. No. 2884 and H.F. No. 1143.

SPECIAL ORDER

S.F. No. 2884: A bill for an act relating to retirement; Minnesota State Retirement System, making administrative changes, increasing the formula multiplier and the postretirement adjustment for the general state employees retirement plan, and increasing the postretirement adjustment for the legislators and unclassified retirement plans; Public Employees Retirement Association, making administrative and conforming changes, increasing the cap on the postretirement adjustment for the general employees retirement plan, expanding the privatization requirements and revising the method for calculating withdrawal liability; implementing the recommendations of the MSRS correctional plan eligibility work group, the amortization work group, and the State Auditor's fire relief association working group; increasing the employer contribution maximum for the higher education supplemental retirement plan; increasing the maximum lump-sum benefit level for defined benefit firefighter relief associations; Minnesota Secure Choice Retirement Program, making administrative and policy changes, authorizing the commissioner of employment and economic development to disclose information to the executive director, and adding penalties for noncompliance; modifying the pension fund executive directors' authority to correct errors and modifying the annual reporting requirement; repealing the investment business recipient disclosure reporting requirement for firefighter relief associations; establishing a work group on pension plans for probation officers and 911 telecommunicators; modifying circumstances for terminating state and supplemental employer contributions; modifying certain public safety benefits; providing certain teacher retirement association benefit increases; modifying duty disability and health insurance continuation for peace officers and firefighters; making technical changes, clarifications, and corrections to the statutes governing the Legislative Commission on Pensions and Retirement, the statewide volunteer firefighter plan, IRAP to TRA transfers, fire state aid and police and firefighter retirement supplemental state aid, and the public employees defined contribution plan; modifying practices for reporting and repealing certain reporting requirements for the State Board of Investment; eliminating obsolete

provisions; appropriating money; amending Minnesota Statutes 2024, sections 3.85, subdivisions 2, 3, 10; 11A.07, subdivisions 4, 4b; 124E.12, subdivisions 4, 6; 126C.10, subdivision 37; 181.101; 187.03, subdivisions 5, 7, 7a, by adding a subdivision; 187.05, subdivisions 4, 6, by adding a subdivision; 187.07, subdivisions 1, 2, 3, 6; 187.08, subdivisions 3, 7; 187.11; 268.19, subdivision 1; 299A.465, subdivision 1; 352.01, by adding a subdivision; 352.029, subdivision 3; 352.03, subdivision 5; 352.115, subdivision 3; 352.22, subdivisions 2b, 3; 352.90; 352.92, subdivision 2a; 352.93, subdivision 1; 352.955, subdivision 1; 352B.02, subdivision 1c; 353.01, subdivisions 2a, 2b, 2d; 353.028, subdivisions 2, 3; 353.032, subdivisions 3, 4, 5, 6, 7, 9, 10; 353.27, subdivision 3a; 353.34, subdivision 5; 353.65, subdivision 3b; 353D.01, subdivision 2; 353D.02, subdivisions 1, 2, 3, 4, 5, 6, 7; 353E.06, subdivision 1; 353F.01; 353F.02, subdivisions 3, 4b, 5a, 6, by adding subdivisions; 353F.025; 353F.03; 353F.04; 353F.05; 353F.051, subdivisions 1, 2; 353F.052; 353F.057; 353F.06; 353F.07; 353F.08; 353F.09; 353G.08, subdivision 1a; 353G.11, subdivisions 2, 2a, by adding a subdivision; 353G.17, subdivisions 4, 5; 353G.19, subdivisions 1, 2, 3, 4, 5; 354.42, subdivision 3; 354.44, subdivision 6; 354B.215, subdivisions 3, 4; 356.215, subdivisions 1, 4, 8, 11, 17; 356.24, subdivision 1; 356.415, subdivisions 1, 1b, 1c, 1d, 1e; 356.633, subdivisions 1, 2, by adding a subdivision; 356.636, subdivisions 2, 3; 423A.022, subdivisions 2, 3, 5; 424A.014, subdivisions 2, 5; 424A.015, subdivision 4; 424A.016, subdivisions 2, 6; 424A.02, subdivision 3; 424A.05, subdivision 3; 424A.06, subdivision 2; 424A.08; 424A.092, subdivisions 2, 3, 4; 424A.093, subdivision 5; 424B.22, subdivisions 1, 2, 3, by adding a subdivision; 477B.02, subdivisions 3, 8; 477B.03, subdivisions 5, 7; 477B.04, subdivisions 3, 4; 490.123, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 187; 352; 352B; 356; repealing Minnesota Statutes 2024, sections 11A.27; 352.91, subdivisions 1, 2, 2a, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 4a, 4b, 4c, 6; 353F.02, subdivision 4a; 356.635, subdivision 9; 356A.06, subdivision 5; 424A.015, subdivision 5.

Senator Rasmusson moved to amend S.F. No. 2884 as follows (A51):

Page 91, line 11, before "APPROPRIATIONS" insert "DIRECT STATE AID AND" and after "TEACHERS" delete "RETIREMENT ASSOCIATION"

Page 92, after line 4, insert:

"Section 3. Minnesota Statutes 2024, section 354.436, subdivision 1, is amended to read:

Subdivision 1. **Aid authorization.** The state shall pay:

(1) \$12,954,000 to the Teachers Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund Association ~~and shall pay;~~

(2) \$14,377,000 ~~during fiscal year 2015~~ to the Teachers Retirement Association ~~for the credit of the Duluth Teachers Retirement Fund Association and, after fiscal year 2015, shall pay \$14,377,000 on behalf of the Duluth Teachers Retirement Fund Association;~~ and

(3) \$18,823,530 as state aid to the Teachers Retirement Association.

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

Sec. 4. Minnesota Statutes 2024, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Direct state aid to St. Paul Teachers Retirement Fund Association.** (a) The state must pay ~~\$2,827,000~~ direct state aid to the St. Paul Teachers Retirement Fund Association; as follows:

(1) \$2,827,000;

~~(b) In addition to other amounts specified in this subdivision, the state must pay (2) \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.;~~

~~(c) In addition to the amounts specified in paragraphs (a) and (b), the state must pay (3) \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.;~~ and

(4) \$1,176,470.

~~(d)~~ (b) The aid under this subdivision is payable October 1 annually. The commissioner of management and budget must pay the aid specified in this subdivision. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

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

Renumber the sections in sequence

Amend the title accordingly

Pursuant to Rule 7.2, Senator Klein questioned whether the Rasmusson (A51) amendment was in order. The President ruled the amendment was in order.

The question was taken on the adoption of the Rasmusson (A51) amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Mann, and Pha.

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

Senator Rasmusson moved to amend S.F. No. 2884 as follows (A50):

Page 1, line 5, delete "legislators and unclassified retirement plans" and insert "unclassified retirement plan"

Page 4, lines 25 to 26, strike ", the legislators retirement plan,"

Page 5, after line 17, insert:

"(b) Recipients of a retirement annuity or survivor benefit from the legislators retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) effective January 1, 2024, and thereafter, a postretirement increase of 1.5 percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(2) effective January 1, 2024, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient."

Page 5, line 18, strike "(b)" and insert "(c)"

Page 91, line 11, before "APPROPRIATIONS" insert "DIRECT STATE AID AND" and after "TEACHERS" delete "RETIREMENT ASSOCIATION"

Page 91, after line 11, insert:

"Section 1. Minnesota Statutes 2024, section 354.436, subdivision 1, is amended to read:

Subdivision 1. **Aid authorization.** The state shall pay:

(1) \$12,954,000 to the Teachers Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund Association ~~and shall pay~~

(2) \$14,377,000 ~~during fiscal year 2015~~ to the Teachers Retirement Association ~~for the credit of the Duluth Teachers Retirement Fund Association and, after fiscal year 2015, shall pay \$14,377,000 on behalf of the Duluth Teachers Retirement Fund Association;~~

(3) \$10,000 in fiscal year 2026; and

(4) \$32,000 in fiscal years 2027 and thereafter.

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

Sec. 2. Minnesota Statutes 2024, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Direct state aid to St. Paul Teachers Retirement Fund Association.** (a) The state must pay ~~\$2,827,000~~ direct state aid to the St. Paul Teachers Retirement Fund Association: as follows:

(1) \$2,827,000;

~~(b) In addition to other amounts specified in this subdivision, the state must pay (2) \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association;~~

~~(c) In addition to the amounts specified in paragraphs (a) and (b), the state must pay (3) \$5,000,000 as state aid to the St. Paul Teachers Retirement Fund Association;~~

(4) \$1,000 in fiscal year 2026; and

(5) \$2,000 in fiscal year 2027 and thereafter.

~~(d)~~ (b) The aid under this subdivision is payable October 1 annually. The commissioner of management and budget must pay the aid specified in this subdivision. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

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

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Mann, and Pha.

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

Senator Rasmusson moved to amend S.F. No. 2884 as follows (A52):

Page 85, after line 11, insert:

"Sec. 2. Minnesota Statutes 2024, section 354.06, subdivision 2, is amended to read:

Subd. 2. **President; executive director.** (a) The board must annually elect one of its members as president.~~It~~

(b) The board must elect an executive director. Notwithstanding any law to the contrary, the board must set the salary of the executive director, which must not exceed the salary of the governor. The board must review the performance of the executive director on an annual basis and may grant salary adjustments, subject to the salary cap, as a result of the review. The executive director must serve at the pleasure of the board and be the executive officer of the board, with the duties prescribed in subdivision 2a and any additional duties that the board may prescribe.

(c) The board must employ all other clerks and employees necessary to properly administer the association.

(d) The board must appoint an executive director on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director must have had at least five years of experience in either an executive-level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Mann, and Pha.

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

S.F. No. 2884 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 12, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Mann, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

Bahr	Drazkowski	Koran	Mathews
Dahms	Green	Lieske	Wesenberg
Draheim	Heintzeman	Lucero	Westrom

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, the following members were excused for a Conference Committee on H.F. No. 2563 at 3:00 p.m.:

Senators Hawj, Pha, Pratt, Mohamed, and McEwen.

SPECIAL ORDER

H.F. No. 1143: A bill for an act relating to state government; modifying certain appropriations; modifying expiration of certain aid accounts; appropriating money; amending Minnesota Statutes 2024, section 124D.995, subdivision 6.

Senator Rarick moved to amend H.F. No. 1143 as follows (A-3):

Delete everything after the enacting clause and insert:

"ARTICLE 1**GENERAL EDUCATION**

Section 1. Minnesota Statutes 2024, section 123A.485, subdivision 2, is amended to read:

Subd. 2. **Aid.** (a) Consolidation transition aid is equal to ~~\$200~~ \$424 times the number of resident pupil units in the newly created district in the year of consolidation and ~~\$100~~ \$212 times the number of resident pupil units in the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts consolidating July 1, 1995, and thereafter.

(b) If the total appropriation for consolidation transition aid for any fiscal year, plus any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all districts the full amount of aid earned, the department must first pay the districts in the first year following the year of consolidation the full amount of aid earned and distribute any remaining funds to the newly created districts in the first year of consolidation.

Sec. 2. Minnesota Statutes 2024, section 124D.995, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires on June 30, ~~2027~~ 2028, and any balance remaining in the account is canceled to the general fund.

Sec. 3. Minnesota Statutes 2024, section 124E.20, subdivision 1, is amended to read:

Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance and the first and second tier ~~local optional~~ basic supplemental aid allowance allowances in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue, ~~local optional~~ basic supplemental revenue, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment revenue, basic skills revenue, pension adjustment revenue, and transition revenue as though the school were a school district.

(b) For a charter school operating an extended day, extended week, or summer program, the general education revenue in paragraph (a) is increased by an amount equal to 25 percent of the statewide average extended time revenue per adjusted pupil unit.

(c) Notwithstanding paragraph (a), the general education revenue for an eligible special education charter school as defined in section 124E.21, subdivision 2, equals the sum of the amount determined under paragraph (a) and the school's unreimbursed cost as defined in section 124E.21, subdivision 2, for educating students not eligible for special education services.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 4. Minnesota Statutes 2024, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, declining enrollment revenue, ~~local optional~~ basic supplemental revenue, small schools revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, pension adjustment revenue, and transition revenue.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 5. Minnesota Statutes 2024, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year 2023 is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula allowance for fiscal year 2025 is \$7,281. The formula allowance for fiscal year 2026 is \$7,481. The formula allowance for fiscal years 2027, 2028, and 2029 is \$7,705.~~

(b) The formula allowance for fiscal year ~~2026~~ 2030 and later must be rounded to the nearest whole dollar and equals the formula allowance for the previous fiscal year times the greater of:

(1) 1.02; or

(2) one plus the rate of change in inflation calculated in paragraph (c) but not to exceed 1.03.

(c) In January of the calendar year in which the formula allowance begins, the commissioner of education must calculate the rate of change in inflation equal to the change in the Consumer Price Index for all urban consumers as published by the Bureau of Labor Statistics of the Department of Labor for the average of the fourth calendar quarter of the second prior fiscal year compared to the average of the fourth calendar quarter of the immediately prior fiscal year.

(d) The commissioner must publish the formula allowance by the end of February of each year.

(e) It is the policy and purpose of the legislature to fund its public schools consistent with its constitutional obligations. To this purpose, the legislature may enact additional increases in the general education basic formula allowance.

Sec. 6. Minnesota Statutes 2024, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. ~~Local optional~~ **Basic supplemental revenue.** (a) ~~Local optional~~ Basic supplemental revenue for a school district equals the sum of the district's first tier ~~local optional~~ basic supplemental

revenue ~~and~~, second tier local optional basic supplemental revenue, and third tier basic supplemental revenue.

(b) A district's first tier local optional basic supplemental revenue equals the first tier basic supplemental allowance times the adjusted pupil units of the district for that school year. The first tier basic supplemental allowance equals \$40.34 for fiscal year 2026, \$40.45 for fiscal year 2027, and \$147.76 for fiscal year 2028 and later.

(c) A district's second tier basic supplemental revenue equals \$300 times the adjusted pupil units of the district for that school year.

(d) A district's ~~second~~ third tier local optional basic supplemental revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) (e) A district's local optional basic supplemental levy equals the sum of the ~~first~~ second tier local optional basic supplemental levy and the ~~second~~ third tier local optional basic supplemental levy.

(e) (f) A district's ~~first~~ second tier local optional basic supplemental levy equals the district's ~~first~~ second tier local optional basic supplemental revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(d) (g) For fiscal year 2023, a district's ~~second~~ tier local optional levy equals the district's ~~second~~ tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024, a district's ~~second~~ tier local optional levy equals the district's ~~second~~ tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2025, a district's ~~second~~ third tier local optional basic supplemental levy equals the district's ~~second~~ third tier local optional basic supplemental revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$626,450. For fiscal year 2026, a district's ~~second~~ third tier local optional basic supplemental levy equals the district's ~~second~~ third tier local optional basic supplemental revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$642,038. For fiscal year 2027 and later, a district's ~~second~~ third tier local optional basic supplemental levy equals the district's ~~second~~ third tier local optional basic supplemental revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$671,345.

(e) (h) The local optional basic supplemental levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) (i) A district's local optional basic supplemental aid equals its local optional basic supplemental revenue minus its local optional basic supplemental levy. If a district's actual levy for ~~first~~ or second tier local optional or third tier basic supplemental revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 7. Minnesota Statutes 2024, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** ~~For fiscal year 2015 and later,~~ A district's general education aid equals:

- (1) general education revenue, excluding operating capital revenue, equity revenue, ~~local optional~~ basic supplemental revenue, and transition revenue; plus
- (2) operating capital aid under section 126C.10, subdivision 13b;
- (3) equity aid under section 126C.10, subdivision 30; plus
- (4) transition aid under section 126C.10, subdivision 33; plus
- (5) shared time aid under section 126C.01, subdivision 7; plus
- (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus
- (7) online learning aid under section 124D.096; plus
- (8) ~~local optional~~ basic supplemental aid according to section 126C.10, subdivision 2e, paragraph (f).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 8. Minnesota Statutes 2024, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 80 percent of its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) A district or cooperative may allocate no more than 20 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

(f) For fiscal years 2026 and 2027 only, notwithstanding the percentages specified in paragraphs (a) and (b), a district may allocate up to 40 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board, consistent with the purposes listed in subdivision 1.

Sec. 9. Minnesota Statutes 2024, section 126C.17, subdivision 7a, is amended to read:

Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized referendum levy, the commissioner of revenue, in consultation with the commissioner of education, shall certify the amount of the referendum levy in taxes payable year 2001 attributable to the portion of the referendum allowance exceeding \$415 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting of the house, garage, and surrounding one acre of land. The resulting amount must be used to reduce the district's referendum levy or ~~first second tier local optional~~ basic supplemental levy amount otherwise determined, and must be paid to the district each year that the referendum or ~~first second tier local optional~~ basic supplemental authority remains in effect, is renewed, or new referendum authority is approved. The aid payable under this subdivision must be subtracted from the district's referendum equalization aid under subdivision 7. The referendum equalization aid and the ~~first second tier local optional~~ basic supplemental aid after the subtraction must not be less than zero.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 10. Minnesota Statutes 2024, section 126C.17, subdivision 7b, is amended to read:

Subd. 7b. **Referendum aid guarantee.** ~~(a) Notwithstanding subdivision 7, the sum of a district's referendum equalization aid and local optional aid under section 126C.10, subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum equalization aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c).~~

~~(b)~~ Notwithstanding subdivision 7, the sum of referendum equalization aid and ~~local optional~~ basic supplemental aid under section 126C.10, subdivision 2e, ~~for fiscal year 2016 and later,~~ for a district qualifying for additional aid under Minnesota Statutes 2014, section 126C.10, subdivision 2e, paragraph (a), for fiscal year 2015, must not be less than the product of (1) the sum of the district's referendum equalization aid and local optional aid under Minnesota Statutes 2014, section 126C.10, subdivision 2e, for fiscal year 2015, times (2) the lesser of one or the ratio of the sum of the district's referendum revenue and ~~local optional~~ basic supplemental revenue for that school year to the sum of the district's referendum revenue and local optional revenue for fiscal year 2015, times (3) the lesser of one or the ratio of the district's referendum market value used for fiscal year 2015 referendum equalization calculations to the district's referendum market value used for that year's referendum equalization calculations.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 11. Minnesota Statutes 2024, section 126C.43, subdivision 2, is amended to read:

Subd. 2. Payment to unemployment insurance program trust fund by state and political subdivisions. (a) A district may levy the amount necessary (1) to pay the district's obligations under section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment; or (2) the amount of the district's current levy under paragraph (a).

(c) The amount in paragraph (a) must not include the amounts for hourly school employees during the period of the summer term prior to September 10, 2028.

(d) Beginning September 10, 2028, the amount in paragraph (a) must not include any amounts for hourly school employees whose unemployment costs are included in special education costs eligible for aid under section 125A.76.

Sec. 12. Minnesota Statutes 2024, section 127A.47, subdivision 7, is amended to read:

Subd. 7. Alternative attendance programs. (a) The general education aid and special education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76, excluding cross subsidy reduction aid under section 125A.76, subdivision 2e, attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

(c) For fiscal year 2020, special education aid paid to a resident district must be reduced by an amount equal to 85 percent of the unreimbursed cost of providing special education and services. For fiscal year 2021 and later, special education aid paid to a resident district must be reduced by an amount equal to 80 percent of the unreimbursed cost of providing special education and services.

(d) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced by an amount equal to 100 percent of the unreimbursed cost of special education and services provided to students at an intermediate district, cooperative, or charter school where the percent of students eligible for special education services is at least 70 percent of the charter school's total enrollment.

(e) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced under paragraph (d) for students at a charter school receiving special education aid under section 124E.21, subdivision 3, calculated as if the charter school received special education aid under section 124E.21, subdivision 1.

(f) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be increased by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be made to other state aids due to the district.

(g) Notwithstanding paragraph (a), general education aid paid to the resident district of a nonspecial education student for whom an eligible special education charter school receives general education aid under section 124E.20, subdivision 1, paragraph (c), must be reduced by an amount equal to the difference between the general education aid attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the general education aid that the student would have generated for the charter school under section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial education student" means a student who does not meet the definition of pupil with a disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

(h) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (f), the district of residence must pay tuition equal to ~~at least 90 and no more than~~ 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 13. Minnesota Statutes 2024, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to any week during the period between two successive academic years or terms if an applicant worked in a capacity other than instructional, research, or principal administrative capacity.

(c) Paragraph (a) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

(l) This subdivision expires September 9, 2028.

Sec. 14. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 7a. **Higher education employees; between terms.** (a) Starting September 10, 2028, this subdivision governs unemployment benefits of employees of higher education institutions between academic years or terms.

(b) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(c) Paragraph (b) does not apply to any week during the period between two successive academic years or terms if an applicant worked in a capacity other than instructional, research, or principal administrative capacity.

(d) Paragraph (b) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.

(e) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(f) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(g) Paragraph (b) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(h) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(i) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(j) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(k) For purposes of this subdivision, an "educational institution" is a college or university operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(l) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 15. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 7b. **School employees; between terms.** (a) Starting September 10, 2028, this subdivision governs unemployment benefits of school employees between academic years or terms.

(b) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(c) Paragraph (b) does not apply to an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment.

(d) If unemployment benefits are denied to any applicant under paragraph (b) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (b).

(e) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency"

means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(f) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(g) Paragraph (b) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(h) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(i) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(j) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(k) For purposes of this subdivision, an "educational institution" is a school or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(l) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 16. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 8a. **Services for school contractors.** (a) Starting September 10, 2028, wage credits from an employer are subject to subdivision 7b, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7b if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer.

Sec. 17. Laws 2023, chapter 55, article 1, section 36, subdivision 12, is amended to read:

Subd. 12. **Career and technical program expansion; aeronautics pilot program.** (a) For Independent School District No. 482, Little Falls, for an aeronautics and commercial over-the-road technical program:

\$ 450,000 2024

(b) The funds must be used to help support the district's aeronautics and commercial over-the-road technical pilot program. The funds may be used for equipment, staffing costs, travel costs, and contracted services.

(c) By February 1, 2027, the district must report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education on the activities funded by this appropriation. The report must include but is not limited to information about program participation and demographic information about the students served in the program, a description of the type of activities offered by each program during the year, partnerships with higher education and private providers of aeronautic and commercial over-the-road services, and recommendations for state actions that could improve aeronautics and commercial over-the-road programming for all school districts. The report must also describe how the district's early expenditures for the program were successful in providing the aeronautics and commercial over-the-road technical program in a more timely manner to the district's participating students.

(d) The school district's program expenditures for this program occurring after May 24, 2023, and prior to the Department of Education officially awarding this grant to the school district, qualify as eligible program expenditures and are reimbursable from the grant amount in paragraph (a).

~~(d)~~ (e) This appropriation is available until June 30, 2026. This is a onetime appropriation.

EFFECTIVE DATE. This section is effective retroactively from May 24, 2023.

Sec. 18. **COMPENSATORY REVENUE TASK FORCE.**

Subdivision 1. **Task force established.** A task force is established to analyze the general education compensatory revenue formula, including the purpose of the program, the revenue levels of the program, the distribution formula for the revenue, the uses of compensatory revenue, and methods to evaluate the outcomes of compensatory revenue spending.

Subd. 2. **Membership.** The Compensatory Revenue Task Force consists of the commissioner of education or the commissioner's designee and 15 other members who must be appointed by August 15, 2025, as follows:

(1) two members appointed by the majority leader of the senate;

(2) two members appointed by the minority leader of the senate;

(3) two members appointed by the speaker of the house;

(4) two members appointed by the speaker emerita of the house;

(5) three school administrators appointed by the commissioner, one representing each of the following: a rural school district or charter school, a metropolitan area school district or charter school, and a racially and economically diverse school district or charter school;

(6) two teachers appointed by the commissioner of education, including a teacher from the metropolitan area and a teacher from greater Minnesota; and

(7) two members appointed by the commissioner who represent community organizations.

Subd. 3. **Consultation and advice.** The commissioner of education and the task force must request expert advice as necessary, including advice and technical assistance from representatives of the Department of Revenue regarding pupil identification methods voluntarily linked to certain state income tax data and the state demographer's office regarding census information that may inform the compensatory revenue formula, and general school district accounting and business practices advice from representatives suggested by the Minnesota Association of School Business Officials.

Subd. 4. **Duties.** The task force must:

(1) evaluate which students currently generate compensatory revenue, examine whether this student count aligns with students who are under-prepared to learn or otherwise not meeting academic standards, and determine the best student population to target with compensatory revenue;

(2) examine and determine the best proxy and demographic variables to identify students, sites, and districts in need of assistance to help students better meet academic standards and prepare to learn;

(3) examine potential input data elements for determining compensatory revenue, including income tax data, census information, and federal school meals eligibility, whether identified through direct certification of income from public assistance program participation or through the application for educational benefits;

(4) determine whether compensatory revenue should be generated at the school district or school site level;

(5) evaluate whether the compensatory revenue formula should contain a concentration formula;

(6) examine the interrelationships between the compensatory revenue program and extended time revenue program, including summer school, and propose methods to better integrate compensatory revenue and extended time revenue;

(7) evaluate the best uses of compensatory revenue; and

(8) evaluate potential ways to examine the effectiveness of compensatory revenue, including measures of absolute levels and growth in student attendance, graduation rates, assessment results, student behavior, and disciplinary events.

Subd. 5. **Compensation.** Minnesota Statutes, section 15.059, subdivision 3, governs compensation of the members of the task force.

Subd. 6. **Meetings and administrative support.** (a) The commissioner of education or the commissioner's designee must convene the first meeting of the task force no later than September 15, 2025. The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under this section. Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Education must provide administrative support to assist the task force in its work, including providing information, data, and technical support, and the department must assist in the creation of the task force reports.

Subd. 7. **Reporting.** The task force must issue a preliminary report to the legislature by February 15, 2026, and a final report to the legislature by September 15, 2026. The reports must be prepared and filed consistent with the requirements of Minnesota Statutes, section 3.195, and submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over education finance and policy.

Subd. 8. **Expiration.** The task force expires September 15, 2026.

Sec. 19. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>8,483,842,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>8,786,840,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$783,251,000 for 2025 and \$7,700,591,000 for 2026.

(c) The 2027 appropriation includes \$804,270,000 for 2026 and \$7,982,570,000 for 2027.

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	<u>25,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>27,000</u>	<u>.....</u>	<u>2027</u>

Subd. 4. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section 127A.49:

\$	<u>1,929,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,340,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$140,000 for 2025 and \$1,789,000 for 2026.

(c) The 2027 appropriation includes \$198,000 for 2026 and \$2,142,000 for 2027.

Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota Statutes, section 123A.485:

\$	<u>572,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>350,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$0 for 2025 and \$572,000 for 2026.

(c) The 2027 appropriation includes \$64,000 for 2026 and \$286,000 for 2027.

Subd. 6. **Nonpublic pupil education aid.** (a) For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	<u>25,349,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>27,160,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$2,355,000 for 2025 and \$22,994,000 for 2026.

(c) The 2027 appropriation includes \$2,554,000 for 2026 and \$24,606,000 for 2027.

Subd. 7. **Nonpublic pupil transportation.** (a) For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	<u>28,123,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>29,359,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$2,609,000 for 2025 and \$25,514,000 for 2026.

(c) The 2027 appropriation includes \$2,834,000 for 2026 and \$26,525,000 for 2027.

Subd. 8. **One-room schoolhouse.** (a) For aid to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	<u>65,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>65,000</u>	<u>.....</u>	<u>2027</u>

(b) This aid is 100 percent payable in the current year.

Subd. 9. **Career and technical aid.** (a) For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>451,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>350,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$85,000 for 2025 and \$366,000 for 2026.

(c) The 2027 appropriation includes \$40,000 for 2026 and \$310,000 for 2027.

Subd. 10. **Pregnant and parenting pupil transportation reimbursement.** (a) To reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes, section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

\$	<u>55,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>55,000</u>	<u>.....</u>	<u>2027</u>

(b) To receive reimbursement, districts must apply in the form and manner prescribed by the commissioner. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 11. **Career and technical education consortium.** (a) To the Minnesota Service Cooperatives for career and technical education consortium grants under Minnesota Statutes, section 124D.4536:

\$	5,000,000	.....	2026
\$	5,000,000	.....	2027

(b) If the appropriation in fiscal year 2026 is insufficient, the appropriation in fiscal year 2027 is available.

(c) Up to three percent of the appropriation is available for grant administration.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 12. **Emergency medical training.** (a) For grants to offer high school students courses in emergency medical services:

\$	500,000	.....	2026
\$	500,000	.....	2027

(b) A school district, charter school, Tribal contract school, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section to offer enrolled students emergency medical services courses approved by the Minnesota Emergency Medical Services Regulatory Board to prepare students to take the emergency medical technician certification test, including an emergency medical services course that is a prerequisite to an emergency medical technician course.

(c) A grant recipient may use grant funds to partner with a district, charter school, cooperative unit, postsecondary institution, political subdivision, or entity with expertise in emergency medical services, including health systems, hospitals, ambulance services, and health care providers to offer an emergency medical services course.

(d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs, emergency medical technician certification test fees, and student background checks.

(e) To the extent practicable, the commissioner must award at least half of the grant funds to applicants outside of the seven-county metropolitan area, and at least 30 percent of the grant funds to applicants with high concentrations of students of color.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 13. **Area learning center transportation aid.** (a) For area learning center transportation aid under Minnesota Statutes, section 123B.92, subdivision 11:

\$	1,000,000	.....	2026
\$	1,000,000	.....	2027

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This aid is 100 percent payable in the current year.

Subd. 14. **Unemployment aid for hourly workers over the summer term.** (a) For unemployment aid under Minnesota Statutes, section 124D.995:

\$ 100,000,000 2026

(b) This appropriation is subject to the requirements of Minnesota Statutes, section 124D.995.

(c) This is a onetime appropriation.

Subd. 15. **Compensatory Revenue Task Force.** For the Compensatory Revenue Task Force under section 16:

\$ 110,000 2026

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This is a onetime appropriation.

Sec. 20. **REVISOR INSTRUCTION.**

The revisor of statutes shall replace "local optional revenue," "local optional aid," and "local optional levy" with "basic supplemental revenue," "basic supplemental aid," and "basic supplemental levy" and correct all cross-references.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2024, section 124D.42, subdivision 9, is amended to read:

Subd. 9. **Minnesota math corps program.** (a) A Minnesota math corps program is established to ~~give~~ provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of mathematics instruction ~~useful for~~ to use in providing elementary and middle school students and their teachers with instructional support. Minnesota math corps must use evidence-based instructional support to evaluate and accelerate student learning on foundational mathematics skills that enable students to meet state academic standards in mathematics and long-term proficiency expectations for the workforce.

(b) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

(c) For purposes of this subdivision, "evidence-based" means the instruction or curriculum is based on reliable, trustworthy, and valid evidence and has demonstrated a record of success in increasing student competency and proficiency in mathematics and numeracy.

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

Sec. 2. Laws 2023, chapter 55, article 2, section 64, subdivision 16, as amended by Laws 2024, chapter 115, article 2, section 16, is amended to read:

Subd. 16. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

\$	7,500,000	.....	2024
\$	7,500,000	.....	2025

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients issued under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The base for fiscal year 2026 and later is \$5,000,000.

(e) ~~Any balance in the first year does not cancel but is available in the second year. This~~ appropriation is available until June 30, 2027.

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

Sec. 3. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	85,619,000	.....	2026
\$	85,222,000	.....	2027

(b) The 2026 appropriation includes \$8,446,000 for 2025 and \$77,173,000 for 2026.

(c) The 2027 appropriation includes \$8,575,000 for 2026 and \$76,647,000 for 2027.

Subd. 3. **Alternative programs.** (a) For a grant to the Minnesota Association of Alternative Programs STARS (Success, Teamwork, Achievement, Recognition, and Self-esteem) program to help students in alternative programs develop employment, academic, and social skills and to support student participation in trainings and conferences:

\$	55,000	.....	2026
\$	55,000	.....	2027

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This is a onetime appropriation.

Subd. 4. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

\$	<u>96,453,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>99,135,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$9,391,000 for 2025 and \$87,062,000 for 2026.

(c) The 2027 appropriation includes \$9,673,000 for 2026 and \$89,462,000 for 2027.

Subd. 5. **College entrance examination reimbursement.** (a) To reimburse districts for the costs of college entrance examination fees for students who are eligible for free or reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 16:

\$	<u>1,011,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,011,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 6. **COMPASS and MTSS.** (a) To support the development and implementation of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) school improvement model:

\$	<u>13,500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>13,500,000</u>	<u>.....</u>	<u>2027</u>

(b) Of this amount, \$5,000,000 each year is to support implementation of MTSS and COMPASS. Funds must be used to support increased capacity at the Department of Education and the Minnesota service cooperatives for implementation supports.

(c) Of this amount, \$5,000,000 each year is reserved for grants to school districts, charter schools, Tribal contract schools, and cooperative units as defined in Minnesota Statutes, section 123A.24, subdivision 2, for implementation of MTSS, including: hiring local MTSS coordinators; deferring costs for personnel to participate in cohort activities and professional learning; and piloting the Department of Education One Plan, the consolidation of multiple reporting structures to streamline various applications, reports, and submissions by school districts and charter schools. Up to five percent of this amount is available for program and grant administration.

(d) Of this amount, \$3,000,000 each year must be used to develop a regional network focusing on mathematics to provide dedicated mathematics trainers and coaches to train regional support staff from the Minnesota service cooperatives and to support school leaders and teachers to implement evidence-based instructional strategies in mathematics. Funds may also be used to host an annual mathematics standards-based instructional institute.

(e) Of this amount, \$500,000 each year is for the University of Minnesota Center for Applied Research and Educational Improvement to support implementation and evaluation of the MTSS framework.

(f) Support for school districts, charter schools, and cooperative units under this subdivision may include but is not limited to:

(1) partnering with the Minnesota Service Cooperatives to support districts in implementing COMPASS to support schools in the areas of literacy, math, social-emotional learning, and mental health using the MTSS framework;

(2) providing support to districts and charter schools identified under Minnesota Statutes, section 120B.11;

(3) providing support to districts and charter schools to streamline various applications, reports, and submissions to the Department of Education through One Plan;

(4) providing training, guidance, and implementation resources for MTSS, including a universal screening process approved by the Department of Education to identify students who may be at risk of experiencing academic, behavioral, and social-emotional development difficulties;

(5) providing guidance to convene school-based teams to analyze data provided by screenings and resources for related identification, instruction, and intervention methods;

(6) dyslexia screening and interventions that are evidence-based;

(7) requiring school districts and charter schools to provide parents of students identified in screenings with notice of screening findings and related support information;

(8) requiring districts and charter schools to provide at-risk students with interventions and to monitor the effectiveness of these interventions and student progress; and

(9) developing and annually reporting findings regarding the implementation of MTSS.

(g) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 7. **Computer science education advancement.** (a) For computer science advancement:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2026</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) Of this amount, \$150,000 is for the computer science supervisor.

(c) Eligible uses of the appropriation include expenses related to the implementation of Laws 2023, chapter 55, article 2, section 61, and expenses related to the development, advancement, and promotion of kindergarten through grade 12 computer science education.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 8. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2026</u>
<u>\$</u>	<u>4,000,000</u>	<u>.....</u>	<u>2027</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each school district.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 9. **Ethnic studies community consultation.** (a) To consult with community members throughout Minnesota on the development of ethnic studies curricula, resources, and implementation support:

\$	<u>150,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 10. **Ethnic studies school grants.** (a) For competitive grants to school districts, charter schools, and Tribal contract schools to develop, evaluate, and implement ethnic studies courses:

\$	<u>700,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>700,000</u>	<u>.....</u>	<u>2027</u>

(b) The commissioner must consult with the Ethnic Studies Working Group to develop criteria for the grants.

(c) Up to five percent of the appropriation is available for grant administration.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 11. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and for training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$	<u>4,500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>4,500,000</u>	<u>.....</u>	<u>2027</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees, training, and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent funds are available, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 12. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

\$	<u>5,000,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>5,000,000</u>	<u>.....</u>	<u>2027</u>

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

(c) Up to two percent of the appropriation is available for grant administration.

(d) The fiscal year 2026 appropriation is available until June 30, 2029. The fiscal year 2027 appropriation is available June 30, 2030.

Subd. 13. **Grants to increase science, technology, engineering, and math course offerings.**

(a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

\$	<u>250,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2027</u>

(b) To the extent practicable, the commissioner must distribute grant funds equitably among geographic areas in the state, including to schools located in greater Minnesota and in the seven-county metropolitan area.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 14. **Implementation of education on the Holocaust, genocide of Indigenous Peoples, and other genocides.** (a) For implementation of requirements for education on the Holocaust, genocide of Indigenous Peoples, and other genocides under Minnesota Statutes, section 120B.252:

\$	<u>75,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>75,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 15. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	<u>16,396,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>18,157,000</u>	<u>.....</u>	<u>2027</u>

Subd. 16. **Literacy incentive aid.** (a) For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	<u>40,686,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>40,897,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$4,057,000 for 2025 and \$36,629,000 for 2026.

(c) The 2027 appropriation includes \$4,069,000 for 2026 and \$36,828,000 for 2027.

Subd. 17. **Minnesota Center for the Book programming.** (a) For grants to the entity designated by the Library of Congress as the Minnesota Center for the Book to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the Center for the Book designation:

\$	<u>200,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>200,000</u>	<u>.....</u>	<u>2027</u>

(b) Up to three percent of the appropriation is available for grant administration.

(c) This is a onetime appropriation.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 18. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

\$	<u>625,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>625,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) By January 15 of each year, Minnesota Independence College and Community must submit a report detailing expenditures, activities, and outcomes to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education.

Subd. 19. **Minnesota math corps.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

\$	<u>2,000,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,000,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) The base for fiscal year 2028 and later is \$1,000,000.

Subd. 20. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

\$	<u>200,000</u>	.....	<u>2026</u>
\$	<u>200,000</u>	.....	<u>2027</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds to support additional participation in the Principals Academy by principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 21. **Minnesota Youth Council.** (a) For grants to the Minnesota Alliance With Youth for the activities of the Minnesota Youth Council:

\$	<u>375,000</u>	.....	<u>2026</u>
\$	<u>375,000</u>	.....	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This is a onetime appropriation.

Subd. 22. **Museums and education centers.** (a) For grants to museums and education centers:

\$	<u>1,791,000</u>	.....	<u>2026</u>
\$	<u>1,791,000</u>	.....	<u>2027</u>

(b) \$500,000 each year is for the Minnesota Children's Museum.

(c) \$50,000 each year is for the Children's Museum of Rochester.

(d) \$41,000 each year is for the Minnesota Academy of Science.

(e) \$100,000 each year is for The Bakken Museum, Minneapolis.

(f) \$60,000 each year is for the Headwaters Science Center.

(g) \$100,000 each year is for The Works Museum, Bloomington.

(h) \$100,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter.

(i) \$100,000 each year is for the Otter Cove Children's Museum, Fergus Falls.

(j) \$100,000 each year is for the Children's Discovery Museum, Grand Rapids.

(k) \$100,000 each year is for the Wheel and Cog Children's Museum, Hutchinson.

(l) \$100,000 each year is for the Village Children's Museum, Willmar.

(m) \$110,000 each year is for the Duluth Children's Museum, Duluth.

(n) \$110,000 each year is for the Children's Museum of Southern Minnesota, Mankato.

(o) \$110,000 each year is for the Great River Children's Museum, St. Cloud.

(p) \$110,000 each year is for the Children's Discovery Museum, Breckenridge.

(q) A recipient of a grant under this subdivision must use the funds to encourage and increase access for historically underserved communities.

(r) Up to three percent of the appropriation is available for grant administration.

(s) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 23. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

\$	<u>1,750,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,750,000</u>	<u>.....</u>	<u>2027</u>

(b) Grants must be used to develop training and to work with schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms. These funds may also be used for grant administration.

(c) Eligible grantees include school districts, charter schools, Tribal charter schools, intermediate school districts, and cooperative units as defined in Minnesota Statutes, section 123A.24, subdivision 2.

(d) Up to five percent of the appropriation is available for grant administration.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 24. **P-TECH schools.** (a) For P-TECH implementation grants under Minnesota Statutes, section 124D.093, subdivision 5:

\$	<u>791,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>791,000</u>	<u>.....</u>	<u>2027</u>

(b) The amount in paragraph (a) is for a grant to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department may retain money from this appropriation for administrative costs under Minnesota Statutes, section 124D.093, subdivision 5.

(d) This appropriation is available until June 30, 2029.

(e) The department may award start-up and mentoring and technical assistance grants beginning in fiscal year 2026. Of the amount in fiscal year 2026, at least \$500,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester. Of the amount in fiscal year 2027, at least \$250,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester.

Subd. 25. **Paraprofessional training.** (a) For compensation associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 121A.642:

\$	<u>4,721,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>5,000,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$221,000 for 2025 and \$4,500,000 for 2026.

(c) The 2027 appropriation includes \$500,000 for 2026 and \$4,500,000 for 2027.

Subd. 26. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

\$	<u>750,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>750,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 27. **Sanneh Foundation.** (a) For grants to the Sanneh Foundation:

\$	<u>1,500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>750,000</u>	<u>.....</u>	<u>2027</u>

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(d) This is a onetime appropriation.

Subd. 28. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

\$	<u>900,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>900,000</u>	<u>.....</u>	<u>2027</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 29. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science, technology, engineering, and math program providing students in grades 4 through 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

\$	<u>500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This is a onetime appropriation.

Subd. 30. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, sections 120B.302 and 120B.305:

\$	<u>10,892,000</u>	.....	<u>2026</u>
\$	<u>10,892,000</u>	.....	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 31. **Student organizations.** (a) For student organizations:

\$	<u>1,084,000</u>	.....	<u>2026</u>
\$	<u>1,084,000</u>	.....	<u>2027</u>

(b) \$68,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$122,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$322,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students younger than grade 9.

(g) \$202,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$85,000 each year is for the Minnesota Foundation for Student Organizations. Of this amount, \$30,000 each year must be used for direct support of underserved and special student populations.

(i) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

ARTICLE 3

TEACHERS

Section 1. Minnesota Statutes 2024, section 124D.901, is amended to read:

124D.901 STUDENT SUPPORT PERSONNEL AID.

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

(1) "new position" means a student support services personnel full-time or part-time position not under contract by a school district, charter school, or cooperative unit at the start of the 2022-2023 school year;

(2) "part-time position" means a student support services personnel position less than 1.0 full-time equivalent at the start of the 2022-2023 school year; and

~~(3) "American Rescue Plan Act" means the federal American Rescue Plan Act of 2021, Public Law 117-2, that awarded funds; and~~

~~(4)~~ (3) "student support services personnel" means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Subd. 2. **Purpose.** The purpose of student support personnel aid is to:

(1) address shortages of student support services personnel within Minnesota schools;

(2) decrease caseloads for existing student support services personnel to ensure effective services;

(3) ensure that students receive effective student support services and integrated and comprehensive services to improve prekindergarten through grade 12 academic, physical, social, and emotional outcomes supporting career and college readiness and effective school mental health services;

~~(4) ensure that student support services personnel serve within the scope and practice of their training and licensure;~~

~~(5)~~ (4) fully integrate learning supports, instruction, assessment, data-based decision making, and family and community engagement within a comprehensive approach that facilitates interdisciplinary collaboration; and

~~(6)~~ (5) improve student health, school safety, and school climate to support academic success and career and college readiness.

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. The initial student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or \$20,000. Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.

(b) The cooperative student support personnel aid for a school district that is a member of an intermediate school district or other cooperative unit that serves students equals the greater of the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. If a district is a member of more than one cooperative unit that serves students, the revenue must be allocated among the cooperative units. Aid under this paragraph must not exceed actual expenditures.

(c) The student support personnel allowance equals ~~\$11.94 for fiscal year 2024~~, \$17.08 for fiscal year 2025, ~~and \$48.73~~ \$40 for fiscal ~~year~~ years 2026 and 2027, and \$42 for fiscal year 2028 and later.

(d) The cooperative student support allowance equals ~~\$0.60 for fiscal year 2024~~, \$0.85 for fiscal year 2025, and \$2.44 for fiscal year 2026 and later.

Subd. 4. **Allowed uses.** (a) Aid under this section must be used to ~~hire~~ enhance student support services, including but not limited to:

(1) increasing new positions for student support services personnel or increase positions;

(2) increasing a current student support services personnel position that is less than 1.0 full-time equivalent to a greater number of service hours or make; or

(3) making permanent a student support services personnel position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) Cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid or use the aid as otherwise provided under subdivision 4a, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

(d) In addition to the personnel uses authorized under paragraphs (a) and (c) and subdivision 4a, a district, charter school, or cooperative unit may use up to \$5,000 of student support personnel aid each year for the following purposes:

(1) to cover the costs of providing training or job-embedded coaching; or

(2) to cover the costs of student support personnel travel among school sites operated by a single district, charter school, or cooperative unit, or among school sites operated by a cooperative unit's member districts or a group of charter schools.

Subd. 4a. **Additional uses for a school with declining enrollment upon board approval.** (a) If a school district, charter school, or cooperative unit has declining enrollment revenue in fiscal year 2025 or a later fiscal year, and is unable to use student support personnel aid in accordance with subdivision 4, the district, charter school, or cooperative unit may use student support personnel aid to maintain a student support services personnel position if the position would otherwise be eliminated due to budgetary concerns.

(b) For purposes of this subdivision, a school district, charter school, or cooperative unit has declining enrollment for that fiscal year if the school district, charter school, or cooperative unit

reports fewer students on its previous year's fall enrollment report than for the second previous year's fall enrollment report.

(c) Before a school board may exercise its authority under this subdivision, the school board must allow for public testimony on the proposal at a regularly scheduled school board meeting before approving a resolution approving the usage of the student support personnel aid for this purpose.

Subd. 5. **Report required.** By February 1 following any fiscal year in which student support personnel aid was received, a school district, charter school, or cooperative unit must submit a written report to the commissioner indicating how the new position affected two or more of the following measures:

- (1) school climate;
- (2) student health;
- (3) attendance rates;
- (4) academic achievement;
- (5) career and college readiness; and
- (6) postsecondary completion rates.

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

Sec. 2. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

\$	<u>250,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	<u>88,717,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>87,942,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$8,814,000 for fiscal year 2025 and \$79,903,000 for fiscal year 2026.

(c) The 2027 appropriation includes \$8,878,000 for fiscal year 2026 and \$79,064,000 for fiscal year 2027.

Subd. 4. **Black Men Teach Twin Cities.** (a) For a grant to Black Men Teach Twin Cities for the purposes listed in paragraph (c):

\$	<u>500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) Black Men Teach Twin Cities must use the grant to establish partnerships with public elementary schools with a goal of increasing the number of black male teachers to 20 percent of the teachers at each school site. To the extent possible, Black Men Teach Twin Cities must include sites in greater Minnesota, suburban areas, and urban settings.

(c) The grant money may be used for:

(1) scholarships for aspiring teachers;

(2) student teacher stipends;

(3) mentoring activities;

(4) professional development, with an emphasis on early literacy training, including best practices associated with the science of reading; and

(5) stipends for housing to allow a teacher to live closer to the teacher's school.

(d) Black Men Teach Twin Cities must provide a detailed report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education and higher education by January 15 of each year following the year of a grant award describing how the grant money was used. The report must describe the progress made toward the goal of increasing the number of Black male teachers at each school site, identify the strategies used to recruit Black teachers, and describe barriers Black men face in the teaching profession. The report must be filed in accordance with Minnesota Statutes, section 3.195.

(e) Up to three percent of the appropriation is available for grant administration.

(f) This is a onetime appropriation.

(g) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 5. **Coalition to Increase Teachers of Color and American Indian Teachers.** (a) For the Board of Directors of the Minnesota Humanities Center for a grant to the Coalition to Increase Teachers of Color and American Indian Teachers in Minnesota for nonlobbying activities and general operating expenses that support the recruitment and retention of racially and ethnically diverse teachers underrepresented in the state's workforce:

\$	<u>100,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>100,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) This is a onetime appropriation.

Subd. 6. **Come Teach in Minnesota hiring bonuses.** (a) For the Come Teach in Minnesota hiring bonuses program under Minnesota Statutes, section 122A.59:

\$	<u>400,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>400,000</u>	<u>.....</u>	<u>2027</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.59, subdivision 5.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 7. **Concurrent enrollment teacher training program.** (a) For the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76:

\$	<u>375,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>375,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 8. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

\$	<u>500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) Up to five percent of the grant amount is available for grant administration and monitoring.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 9. **Grow Your Own pathways to teacher licensure grants.** (a) For grants to develop, continue, or expand Grow Your Own new teacher programs under Minnesota Statutes, section 122A.73, to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers:

\$	<u>31,954,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>31,954,000</u>	<u>.....</u>	<u>2027</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.73, subdivision 5.

Subd. 10. **Special education apprenticeship programs.** (a) For grants to intermediate school districts for registered special education apprenticeship programs:

\$	<u>3,000,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>3,000,000</u>	<u>.....</u>	<u>2027</u>

(b) In each year, the department must award grants of \$740,000 each to Intermediate School Districts Nos. 287, 288, 916, and 917. Grant recipients must use grant money for registered special education apprenticeship programs. Grant money may be used for:

(1) program oversight and administrative costs incurred by an intermediate school district and its partner higher education institution;

(2) stipends and tuition, fees, and other direct program costs incurred by apprentices;

(3) stipends for teachers serving as mentors; and

(4) the cost of substitute teachers.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to \$40,000 of the appropriation is available for grant administration.

(d) This is a onetime appropriation.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 11. **Special education teacher pathway program.** (a) For grants to develop special education teacher pathways across Minnesota under Minnesota Statutes, section 122A.77:

\$	0	.....	2026
\$	10,000,000	.....	2027

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.77, subdivision 5.

(c) The base for fiscal year 2028 and later is \$10,000,000.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 12. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

\$	52,100,000	.....	2026
\$	53,670,000	.....	2027

(b) The 2026 appropriation includes \$3,655,000 for fiscal year 2025 and \$48,445,000 for fiscal year 2026.

(c) The 2027 appropriation includes \$5,382,000 for fiscal year 2026 and \$48,288,000 for fiscal year 2027.

Subd. 13. **Student support personnel workforce pathway.** (a) For a grant program to develop a student support personnel workforce pathway focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

\$	5,000,000	.....	2026
\$	5,000,000	.....	2027

(b) Of the amount in paragraph (a), \$150,000 each year is for providing support to school nurses across the state.

(c) To the extent practicable, the pathway grants must be used to support equal numbers of students pursuing careers as school psychologists, school nurses, school counselors, and school social workers.

(d) For grants awarded to school psychologists under this subdivision, the following terms have the meanings given:

(1) "eligible designated trainee" means an individual enrolled in a National Association of School Psychologists approved or American Psychological Association accredited school psychology program granting educational specialist certificates or doctoral degrees in school psychology;

(2) "eligible employment" means a paid position within a school or local education agency directly related to a training program providing direct or indirect school psychology services. Direct services include assessment, intervention, prevention, or consultation services to students or their family members and educational staff. Indirect services include supervision, research and evaluation, administration, program development, technical assistance, or professional learning to support direct services; and

(3) "practica" means an educational experience administered and evaluated by a graduate training program, with university and site supervision provided by appropriately credentialed school psychologists, to develop trainees' competencies to provide school psychological services based on the graduate training program's goals and competencies relative to accreditation and licensure requirements.

(e) Grants awarded to school psychologists must be used for:

(1) providing paid, supervised, and educationally meaningful practica in a public school setting for an eligible designated trainee enrolled in a qualifying program within the grantee's institution;

(2) supporting student recruitment and retention to enroll and hire an eligible designated trainee for paid practica in public school settings; and

(3) oversight of trainee practica and professional development by a qualifying program to ensure the qualifications and conduct by an eligible designated trainee meet requirements set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid training under the grant program.

(g) Up to \$150,000 of the appropriation is available for grant administration.

(h) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 14. **Teacher residency program.** (a) For a teacher residency program that meets the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit (g):

\$	3,000,000	.....	2026
\$	3,000,000	.....	2027

(b) Up to three percent of the appropriation is available for grant administration.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 3. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. **Alternative pathways support position.** (a) To fund a position at the Professional Educator Licensing and Standards Board to support candidates through alternative pathway programs, including the licensure via portfolio process, and to support districts, charter schools, and educational cooperatives to become alternative preparation providers:

\$	<u>150,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 3. **Educator tuition assistance program.** (a) For the educator tuition assistance program under Minnesota Statutes, section 122A.635:

\$	<u>5,440,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>5,440,000</u>	<u>.....</u>	<u>2027</u>

(b) The board may retain up to \$100,000 of the appropriation to monitor and administer the grant program.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 4. **Heritage language and culture teachers.** (a) To support an additional licensure pathway program for heritage language and culture teachers under Minnesota Statutes, section 122A.631, including funding for a portfolio liaison and funding for substitute teachers on meeting days, portfolio fees, licensure fees, and licensure exam fees for 50 program participants:

\$	<u>208,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>208,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 5. **Licensure via portfolio online platform.** (a) To complete the licensure via portfolio online platform to streamline the portfolio submission and review process:

\$	<u>150,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 6. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$	<u>4,500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>4,500,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) Of the amounts in paragraph (a), at least \$3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

Subd. 7. **Pathway preparation grants.** (a) For grants to support teachers holding a Tier 1 or Tier 2 license who are seeking a Tier 3 or Tier 4 license:

\$	<u>400,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>400,000</u>	<u>.....</u>	<u>2027</u>

(b) The following are eligible for grants under this subdivision:

(1) school districts;

(2) charter schools;

(3) service cooperatives; and

(4) partnerships between one or more teacher preparation providers, school districts, or charter schools.

(c) Grant funds must be used to support teachers holding a Tier 1 or Tier 2 license and seeking a Tier 3 or Tier 4 license through completion of a teacher preparation program or the licensure via portfolio process. A grant recipient must provide teachers holding a Tier 1 or Tier 2 license with professional development, mentorship, and coursework aligned to state standards for teacher licensure.

(d) The Professional Educator Licensing and Standards Board may collaborate with the Department of Education and the Office of Higher Education to administer the grant program.

(e) The board may retain up to three percent of the appropriation amount to monitor and administer the grant.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 8. **Teacher recruitment marketing campaign.** (a) To develop two contracts to develop and implement an outreach and marketing campaign under this subdivision:

\$	<u>500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) The Professional Educator Licensing and Standards Board must issue a request for proposals to develop and implement an outreach and marketing campaign to elevate the profession and recruit teachers, especially teachers of color and American Indian teachers. Outreach efforts may include and support current and former Teacher of the Year finalists interested in being recruitment fellows to encourage prospective educators throughout the state. The board may renew a grant contract with a prior recipient if it determines sufficient deliverables were achieved and the plans of the firm or organization are more promising than proposals from other entities.

(c) The outreach and marketing campaign must focus on increasing interest in teaching in Minnesota public schools for the following individuals:

(1) high school and college students of color or American Indian students who have not chosen a career path; or

(2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award two \$250,000 grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences may be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than three percent of the appropriation amount to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 4. REVISOR INSTRUCTION.

(a) The revisor of statutes must change the term "pipeline" to "pathway" wherever it appears in Minnesota Statutes, section 122A.77.

(b) The revisor of statutes must change the term "collaborative urban and greater Minnesota educators of color grant program" to "educator tuition assistance program" wherever it appears in Minnesota Statutes, section 122A.635.

ARTICLE 4

AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2024, section 121A.041, subdivision 3, is amended to read:

Subd. 3. **Exemption.** A public school may seek an exemption to subdivision 2 by ~~submitting a request in writing to all 11 federally recognized Tribal Nations in Minnesota and to the Tribal Nations~~

~~Education Committee by September 1, 2023. The exemption is denied if any of the 11 Tribal Nations or the Tribal Nations Education Committee oppose the exemption by December 15, 2023 requesting a letter of consent from the federally recognized Tribal Nation in Minnesota that is located nearest to the public school. A public school whose request for an exemption consent from a Tribal Nation is denied must comply with subdivision 2 by September 1, 2026.~~

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

Sec. 2. Minnesota Statutes 2024, section 122A.63, subdivision 9, is amended to read:

Subd. 9. **Eligible programming.** (a) The grantee institutions may provide scholarships to eligible students progressing toward educational goals in a prekindergarten through grade 12 educational setting in any area of teacher licensure, including an associate's, bachelor's, master's, or doctoral degree in the following:

(1) any educational certification necessary for employment;

(2) early childhood family education or prekindergarten licensure;

(3) elementary and secondary education;

(4) school administration; or

(5) any educational program that provides services to American Indian students in prekindergarten through grade 12.

(b) Scholarships may be used to cover an eligible student's cost of attendance under section 136A.126, subdivision 3.

(c) For purposes of recruitment, the grantees or their contracted partner institutions must agree to work with their respective organizations to hire an American Indian work-study student or other American Indian staff to conduct initial information queries and to contact persons working in schools to provide programming regarding education professions to high school students who may be interested in education as a profession.

(d) At least 80 percent of the grants awarded under this section must be used for student scholarships. No more than 20 percent of the grants awarded under this section may be used for recruitment or administration of the student scholarships.

Sec. 3. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. American Indian education aid. (a) For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	20,646,000	.....	2026
\$	21,548,000	.....	2027

(b) The 2026 appropriation includes \$1,973,000 for 2025 and \$18,673,000 for 2026.

(c) The 2027 appropriation includes \$2,074,000 for 2026 and \$19,474,000 for 2027.

Subd. 3. **Minnesota Indian teacher training program grants.** (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

\$	<u>600,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>600,000</u>	<u>.....</u>	<u>2027</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.63, subdivision 10.

Subd. 4. **Native language revitalization grants to schools.** (a) For grants to school districts, charter schools, and Tribal contract schools to offer language instruction in Dakota and Anishinaabe languages or another language indigenous to the United States or Canada:

\$	<u>7,500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>7,500,000</u>	<u>.....</u>	<u>2027</u>

(b) Grant amounts are to be determined based upon the number of schools within a district implementing language courses. Eligible expenses include costs for teachers, program supplies, and curricular resources.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

(d) Up to \$300,000 each year is for administrative and programmatic capacity at the Department of Education.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 5. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	<u>2,313,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,554,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$221,000 for 2025 and \$2,092,000 for 2026.

(c) The 2027 appropriation includes \$232,000 for 2026 and \$2,322,000 for 2027.

Subd. 6. **Early childhood programs at Tribal contract schools.** (a) For early childhood family education programs at Tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$	<u>68,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>68,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 7. **Mascot replacement assistance.** (a) For assistance to public schools seeking to comply with Minnesota Statutes, section 121A.041:

\$ 2,000,000 2026

(b) A public school may apply in the form and manner determined by the commissioner for reimbursement of costs incurred to meet the requirements of Minnesota Statutes, section 121A.041, subdivision 2, including the costs of replacing a prohibited name, symbol, or image on uniforms, signs, paintings, equipment, gym floors, websites, and other school property, including supplies and other building surfaces.

(c) The commissioner must establish procedures to allow for reimbursement of costs incurred by a public school after June 30, 2024. Subject to the availability of funding, the commissioner may reimburse up to 100 percent of the costs under this paragraph.

(d) The commissioner must establish procedures to ensure that any costs reimbursed under this subdivision are excluded from other school revenue calculations.

(e) Any balance in fiscal year 2026 is available in fiscal year 2027.

(f) The base for fiscal year 2028 is \$2,000,000. The base for fiscal year 2029 is \$0.

ARTICLE 5

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2024, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) "Regular transportation" is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school;

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation; and

(vi) transportation of pregnant or parenting pupils to and from a program that was established on or before January 1, 2018, or that is in operation on or after July 1, 2021, that provides:

(A) academic instruction;

(B) at least four hours per week of parenting instruction; and

(C) high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) "Excess transportation" is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) "Desegregation transportation" is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; ~~and~~

(viii) services described in items (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128; and

(ix) the amounts described in paragraph (d).

~~For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a student placed in a family foster home as defined in section 260C.007, subdivision 16b, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), items (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.~~

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

(d) For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes:

(1) the additional cost of transporting:

(i) a student in a shelter care facility as defined in section 260C.007, subdivision 30;

(ii) a student placed in a family foster home as defined in section 260C.007, subdivision 16b;

(iii) a homeless student in another district to the school of origin; or

(iv) a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and

(2) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clause (1), items

(ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

For purposes of clause (1), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

EFFECTIVE DATE. This section is effective for fiscal year 2026 and later.

Sec. 2. Minnesota Statutes 2024, section 125A.76, subdivision 2a, is amended to read:

Subd. 2a. **Special education initial aid.** For fiscal year 2021 and later, a district's special education initial aid equals the sum of:

(1) the least of 62 percent of the district's old formula special education expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50 percent of the district's nonfederal special education expenditures for the prior year, excluding pupil transportation expenditures, or 56 percent of the product of the sum of the following amounts, computed using prior fiscal year data, and the program growth factor:

(i) the product of the district's average daily membership served and the sum of:

(A) \$460; plus

(B) \$405 times the ratio of the sum of the number of pupils enrolled on October 1 who are eligible to receive free meals plus one-half of the pupils enrolled on October 1 who are eligible to receive reduced-price meals to the total October 1 enrollment; plus

(C) .008 times the district's average daily membership served; plus

(ii) \$13,300 times the December 1 child count for the primary disability areas of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

(iii) \$19,200 times the December 1 child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders; plus

(iv) \$25,200 times the December 1 child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, and deafblind; ~~plus~~

(2) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4), items (i) to (viii), reimbursed at 95 percent for fiscal year 2026 and later; and

(3) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4), item (ix), reimbursed at 100 percent for fiscal year 2026 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 3. SPECIAL EDUCATION CROSS SUBSIDY REDUCTION AID FACTOR ADJUSTMENT.

(a) Notwithstanding any law to the contrary, the appropriations in section 4, subdivision 4 must not be reduced for savings attributable to the interaction with the school unemployment aid under this act.

(b) The commissioner of education must distribute any amounts identified under paragraph (a) by increasing the special education cross subsidy aid factor under Minnesota Statutes, section 125A.76, subdivision 2e, paragraph (b) as necessary for fiscal years 2026, 2027, and 2028.

Sec. 4. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within district boundaries for whom no district of residence can be determined:

\$	<u>2,240,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,570,000</u>	<u>.....</u>	<u>2027</u>

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 3. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>41,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>42,000</u>	<u>.....</u>	<u>2027</u>

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.76:

\$	<u>2,775,492,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>3,031,424,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$322,670,000 for 2025 and \$2,452,822,000 for 2026.

(c) The 2027 appropriation includes \$345,733,000 for 2026 and \$2,685,691,000 for 2027.

Subd. 5. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2027</u>

Subd. 6. **Special education separate sites and programs.** (a) For aid for special education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision 4:

\$	<u>4,470,000</u>	.....	<u>2026</u>
\$	<u>4,695,000</u>	.....	<u>2027</u>

(b) The 2026 appropriation includes \$427,000 for 2025 and \$4,043,000 for 2026.

(c) The 2027 appropriation includes \$449,000 for 2026 and \$4,246,000 for 2027.

Subd. 7. **Travel for home-based services.** (a) For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>488,000</u>	.....	<u>2026</u>
\$	<u>538,000</u>	.....	<u>2027</u>

(b) The 2026 appropriation includes \$44,000 for 2025 and \$444,000 for 2026.

(c) The 2027 appropriation includes \$49,000 for 2026 and \$489,000 for 2027.

ARTICLE 6

FACILITIES

Section 1. Minnesota Statutes 2024, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. **Long-term facilities maintenance revenue.** (a) Long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site and, beginning in fiscal year 2028, roof repair and replacement with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(b) Notwithstanding paragraph (a), a school district that qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2010 remains eligible for funding under this section as a district that would have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2017 and later.

Sec. 2. Minnesota Statutes 2024, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental

regulations and best practices, including indoor air quality management and remediation of lead hazards. For fiscal year 2028 and later, the plan must address the maintenance and repair schedule for each school's roof for which funding is requested. For planning purposes, the plan must also address provisions for providing a gender-neutral single-user restroom at each school site.

(b) The district must annually update the plan, submit the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

Sec. 3. Minnesota Statutes 2024, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** (a) A district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero, or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to ~~123 percent of the product of the equalizing factor and the~~ state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified. The equalizing factor equals 123 percent for fiscal years 2026 and 2027, and 127 percent for fiscal year 2028 and later.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

Sec. 4. Minnesota Statutes 2024, section 123B.595, subdivision 10, is amended to read:

Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district may use revenue under this section for any of the following:

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities and, beginning in fiscal year 2028, repair and replacement of roofs;

(2) increasing accessibility of school facilities;

(3) health and safety capital projects under section 123B.57;

(4) remodeling or constructing a gender-neutral single-user restroom at each school site; or

(5) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school.

Sec. 5. Minnesota Statutes 2024, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not enter into an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. New construction, expansion, or remodeling of an educational facility funded only with general education revenue, ~~lease levy proceeds from an additional capital expenditure levy under section 126C.40, subdivision 1,~~ capital facilities bond proceeds, or long-term facilities maintenance revenue is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

EFFECTIVE DATE. This section is effective for taxes payable in 2026 and later.

Sec. 6. Minnesota Statutes 2024, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, ~~and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose,~~ it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain ~~financial justification for the proposed levy,~~ the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. Projects funded under this subdivision that require an expenditure in excess of \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000 per school site if the school district does not have a capital loan outstanding, are subject to review and comment under section 123B.71, subdivision 8, in the form and manner prescribed by the commissioner.

(b) The criteria for approval of applications to levy under this subdivision must be annually prescribed by the commissioner, and must include but are not limited to: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, ~~and the appropriateness of the proposed lease to the space needs and of the district,~~ the financial condition of the district, and a review of the statutory operating debt percentage applicable to the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for ~~custodial or other maintenance services~~ operating costs. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment under section 123B.71, subdivision 8, have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

- (1) the school district has been experiencing pupil enrollment growth in the preceding five years;
- (2) the purpose of the increased levy is in the long-term public interest;
- (3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under section 471.59. This authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

(i) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space

that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for taxes payable in 2026 and later.

Sec. 7. Minnesota Statutes 2024, section 126C.40, is amended by adding a subdivision to read:

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

(b) "Capital lease" means an agreement to use, construct, or remodel a site that results in ownership of the site by the district.

(c) "Instructional purposes" means that the use of a building or land being leased leads to education-related outcomes identified in law or state program policy.

(d) "Joint powers lease" means a capital lease or operational lease under which two or more districts agree to contribute to the annual lease costs. Under a joint powers lease, the host district or joint powers district has the authority to allocate lease costs to member districts for leases approved by the commissioner.

(e) "Operating costs" means the costs of regular maintenance or custodial supplies and services.

(f) "Operational lease" means an agreement to use buildings or land that does not result in ownership of the property by the district.

EFFECTIVE DATE. This section is effective for taxes payable in 2026 and later.

Sec. 8. Minnesota Statutes 2024, section 126C.45, is amended to read:

126C.45 ICE ARENA LEVY.

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed the net actual costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Two or more school districts may enter into a cooperation agreement to operate and maintain an ice arena. A district with a cooperation agreement must apportion the qualifying costs and annual levy amount among each cooperating district as specified in the cooperation agreement. Cooperating districts must report the apportionment of the costs and levy to the Department of Education in the form and manner specified by the commissioner.

~~(b)~~ (c) Any district operating and maintaining an ice arena must demonstrate to the satisfaction of the ~~Office of Monitoring in the~~ department that the district will offer equal sports opportunities for male and female students to use its ice arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings.

EFFECTIVE DATE. This section is effective for taxes payable in 2026 and later.

Sec. 9. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Debt service equalization aid.** (a) For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>16,218,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>14,327,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$1,986,000 for 2025 and \$14,232,000 for 2026.

(c) The 2027 appropriation includes \$1,581,000 for 2026 and \$12,746,000 for 2027.

Subd. 3. **Equity in telecommunications access.** (a) For equity in telecommunications access:

\$	<u>3,750,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>3,750,000</u>	<u>.....</u>	<u>2027</u>

(b) If the appropriation amount is insufficient, the commissioner must reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2026 and 2027 must be prorated.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 4. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

\$	<u>1,000,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,000,000</u>	<u>.....</u>	<u>2027</u>

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision in the form and manner specified by the commissioner.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to \$75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the legislative committees with jurisdiction over kindergarten through grade 12 education on the number of grants that were awarded each year and the number of grant applications that were unfunded each year.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 5. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	<u>106,451,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>105,587,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$10,719,000 for 2025 and \$95,732,000 for 2026.

(c) The 2027 appropriation includes \$10,636,000 for 2026 and \$94,951,000 for 2027.

ARTICLE 7

SCHOOL NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2024, section 124D.111, subdivision 3, is amended to read:

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision. To the extent possible, the Department of Education must not limit eligible expenditures from the food service fund to a level below that allowed by federal law.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen ~~section or serving area sections~~ of the lunchroom may be charged to the food service fund or to the general fund of the district. For the purposes of this paragraph, the costs of serving food include the costs of technology and systems related to serving line automation and meal tracking. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund.

~~That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.~~

Staff whose primary responsibility is financial or program management of food service operations may charge time spent managing the program to the food service program.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. ~~However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.~~

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for ~~that fiscal year~~ the documented costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c), or costs under paragraph (j), and charge those costs to the food service fund identified by the commissioner in a total amount not to exceed the amount of surplus in the food service fund.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

(j) In addition to the uses authorized in paragraph (h) and subject to the same surplus fund balance limitations in paragraph (h), a district may spend the excess funds on expenses that improve the school food service, including the costs of plumbing, electrical, air handling, ventilation, or other building utility work necessary to operate equipment essential for food service activities or to remediate food service-related health and safety hazards.

EFFECTIVE DATE. This section is effective for fiscal year 2027 and later.

Sec. 2. Minnesota Statutes 2024, section 124D.119, subdivision 1, is amended to read:

Subdivision 1. ~~Summer Food Service Electronic Benefit Transfer Program replacement~~ **aid.** State funds are available to compensate ~~department-approved~~ school food authorities who gather student data for the Summer Food Service Electronic Benefit Transfer Program sponsors. Reimbursement shall be made ~~on by~~ on or by December 15 based on ~~total meals served by each sponsor from the end of the school year to the beginning of the next school year~~ the number of pupil units eligible during the Summer Electronic Benefit Transfer Program eligibility year on a pro rata basis.

Sec. 3. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Basic system support.** (a) For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>17,995,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>18,372,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$1,752,000 for 2025 and \$16,243,000 for 2026.

(c) The 2027 appropriation includes \$1,804,000 for 2026 and \$16,568,000 for 2027.

Subd. 3. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>900,000</u>	<u>.....</u>	<u>2027</u>

Subd. 4. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

\$	<u>264,162,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>276,392,000</u>	<u>.....</u>	<u>2027</u>

Subd. 5. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	<u>57,642,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>60,413,000</u>	<u>.....</u>	<u>2027</u>

Subd. 6. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>387,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>387,000</u>	<u>.....</u>	<u>2027</u>

Subd. 7. **Multicounty, multitype library systems.** (a) For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>2,000,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,000,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$200,000 for 2025 and \$1,800,000 for 2026.

(c) The 2027 appropriation includes \$200,000 for 2026 and \$1,800,000 for 2027.

Subd. 8. **Regional library telecommunications.** (a) For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,300,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$230,000 for 2025 and \$2,070,000 for 2026.

(c) The 2027 appropriation includes \$230,000 for 2026 and \$2,070,000 for 2027.

Subd. 9. **School library aid.** (a) For school library aid under Minnesota Statutes 2024, section 124D.992:

\$	<u>2,376,000</u>	<u>.....</u>	<u>2026</u>

(b) The 2026 appropriation includes \$2,376,000 for 2025.

Subd. 10. **Summer Electronic Benefit Transfer Program.** To support local education agencies uploading data for and administering the Summer Electronic Benefit Transfer Program:

\$	<u>150,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2027</u>

Sec. 4. **REPEALER.**

Minnesota Statutes 2024, section 124D.992, is repealed July 1, 2025.

ARTICLE 8

EARLY CHILDHOOD EDUCATION

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education in the fiscal years designated.

Subd. 2. **Kindergarten entry assessment.** (a) For the kindergarten entry assessment under Minnesota Statutes, section 124D.162:

\$	<u>2,357,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,743,000</u>	<u>.....</u>	<u>2027</u>

(b) The base for fiscal year 2028 and later is \$1,743,000.

Sec. 2. **APPROPRIATION; DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

Subdivision 1. **Department of Children, Youth, and Families.** The sums indicated in this section are appropriated from the general fund to the Department of Children, Youth, and Families in the fiscal years designated.

Subd. 2. **Administration.** (a) For central office administrative funds for the Department of Children, Youth, and Families:

\$	<u>1,143,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,143,000</u>	<u>.....</u>	<u>2027</u>

(b) The base for this program is \$1,143,000 for fiscal year 2028 and later.

Subd. 3. **Early childhood family education.** (a) For early childhood family education under Minnesota Statutes, section 142D.11:

\$	<u>39,365,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>41,300,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$3,792,000 for 2025 and \$35,573,000 for 2026.

(c) The 2027 appropriation includes \$3,952,000 for 2026 and \$37,348,000 for 2027.

Subd. 4. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 142D.11:

\$	<u>245,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>222,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$28,000 for 2025 and \$217,000 for 2026.

(c) The 2027 appropriation includes \$24,000 for 2026 and \$198,000 for 2027.

Subd. 5. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, section 142D.093:

\$	<u>4,127,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>4,083,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$414,000 for 2025 and \$3,713,000 for 2026.

(c) The 2027 appropriation includes \$412,000 for 2026 and \$3,671,000 for 2027.

Subd. 6. **School readiness aid.** (a) For school readiness aid under Minnesota Statutes, section 142D.06:

\$	<u>33,683,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>33,683,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$3,368,000 for 2025 and \$30,315,000 for 2026.

(c) The 2027 appropriation includes \$3,368,000 for 2026 and \$30,315,000 for 2027.

Sec. 3. **APPROPRIATION; OFFICE OF HIGHER EDUCATION.**

Subdivision 1. **Office of Higher Education.** The sums indicated in this section are appropriated from the general fund to the Office of Higher Education in the fiscal years designated.

Subd. 2. **Early childhood and family education teacher shortage.** (a) For grants to Minnesota institutions of higher education to address the early childhood and family education teacher shortage:

\$	<u>500,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2027</u>

(b) Grant funds may be used to provide tuition and other supports to students.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

(d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

ARTICLE 9

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	<u>55,281,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>56,919,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$5,401,000 for 2025 and \$49,880,000 for 2026.

(c) The 2027 appropriation includes \$5,542,000 for 2026 and \$51,377,000 for 2027.

Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>1,560,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,580,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$151,000 for 2025 and \$1,409,000 for 2026.

(c) The 2027 appropriation includes \$156,000 for 2026 and \$1,424,000 for 2027.

Subd. 4. **Community education aid.** (a) For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>10,080,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>11,815,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$871,000 for 2025 and \$9,209,000 for 2026.

(c) The 2027 appropriation includes \$1,023,000 for 2026 and \$10,792,000 for 2027.

Subd. 5. **Deaf, deafblind, and hard-of-hearing adults.** For programs for deaf, deafblind, and hard-of-hearing adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>70,000</u>	<u>.....</u>	<u>2027</u>

Subd. 6. **High school equivalency tests.** For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

\$	<u>125,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>125,000</u>	<u>.....</u>	<u>2027</u>

Subd. 7. **Neighborhood partnership grants.** (a) For neighborhood partnership grants under Minnesota Statutes, section 124D.99:

\$	<u>2,600,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>2,600,000</u>	<u>.....</u>	<u>2027</u>

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

Subd. 8. **Regional neighborhood partnership grants.** (a) For regional neighborhood partnership grants under Minnesota Statutes, section 124D.99:

\$	<u>1,400,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,400,000</u>	<u>.....</u>	<u>2027</u>

(b) Of the amounts in paragraph (a), \$200,000 each year is for the following programs:

(1) Northfield Healthy Community Initiative in Northfield;

(2) Red Wing Youth Outreach Program in Red Wing;

(3) United Way of Central Minnesota in St. Cloud;

(4) Austin Aspires in Austin;

(5) Rochester Area Foundation in Rochester;

(6) Greater Twin Cities United Way for Generation Next; and

(7) Children First and Partnership for Success in St. Louis Park.

Subd. 9. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>1,000</u>	<u>.....</u>	<u>2027</u>

(b) The 2026 appropriation includes \$0 for 2025 and \$1,000 for 2026.

(c) The 2027 appropriation includes \$0 for 2026 and \$1,000 for 2027.

ARTICLE 10**STATE AGENCIES****Section 1. [127A.205] EDUCATION GRANT TERMINATION.**

(a) The commissioner of education must not enter into a grant agreement, or must terminate a grant agreement, if any of the following conditions apply:

(1) the recipient is a nonprofit organization that is required to file a Form 990 or Form 990-EZ with the Internal Revenue Service, but has failed to do so. If the organization has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the organization must provide the department its most recent financial statements or an audit approved within the previous 12 months;

(2) the recipient is required to file a report under section 309.53 and has not filed the report;

(3) the recipient fails to file an annual renewal and is administratively dissolved by the secretary of state; or

(4) the recipient fails to maintain tax-exempt status under state or federal law.

(b) This section does not apply to a grant to a political subdivision, including a school district, a cooperative unit under section 123A.24, subdivision 2, or a charter school.

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

Sec. 2. CANCELLATION; PASSENGER RAIL PROJECT.

\$109,000,000 of the appropriation in Laws 2023, chapter 68, article 1, section 2, subdivision 2, paragraph (d), for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project is canceled on the effective date of this section.

Sec. 3. CANCELLATION; MINNESOTA DEPARTMENT OF EDUCATION APPROPRIATIONS.

Subdivision 1. **Office of Inspector General.** \$1,500,000 from the appropriation in Laws 2023, chapter 55, article 12, section 17, subdivision 2, as amended by Laws 2024, chapter 115, article 10, section 3, for the Office of Inspector General is canceled on the effective date of this section.

Subd. 2. **Specific Learning Disability.** \$500,000 from the appropriation in Laws 2023, chapter 55, article 12, section 17, subdivision 2, as amended by Laws 2024, chapter 115, article 10, section 3, for the engagement and rulemaking related to Specific Learning Disability is canceled on the effective date of this section.

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

Sec. 4. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board in the fiscal years designated. Any balance remaining in fiscal 2026 is available in fiscal year 2027.

Subd. 2. **Professional Educator Licensing and Standards Board.** For the Professional Educator Licensing and Standards Board:

\$	<u>3,703,000</u>	.....	<u>2026</u>
\$	<u>3,776,000</u>	.....	<u>2027</u>

Sec. 5. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Department.** (a) For the Department of Education:

\$	<u>44,078,000</u>	.....	<u>2026</u>
\$	<u>40,766,000</u>	.....	<u>2027</u>

Of these amounts:

(1) \$405,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) \$480,000 each year is for the Department of Education's mainframe update;

(5) \$4,000,000 in fiscal year 2026 only is for legal fees and costs associated with litigation against the department relating to constitutional challenges to the state's education system;

(6) \$2,359,000 each year is for modernizing district data submissions;

(7) \$573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) \$150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;

(9) \$150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;

(10) \$150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;

(11) \$2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(12) \$800,000 each year is for audit and internal control resources;

(13) \$175,000 each year is for administrative expenses for unemployment aid;

(14) \$120,000 each year is to support schools and districts in accessing resources on cannabis use and substance use; and

(15) \$572,000 each year is for administration of the Summer Electronic Benefits Transfer Program.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

Sec. 6. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>17,838,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>17,937,000</u>	<u>.....</u>	<u>2027</u>

(b) Of these amounts, \$321,000 each year is for unemployment costs.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 7. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>8,637,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>8,818,000</u>	<u>.....</u>	<u>2027</u>

(b) Of these amounts, \$24,000 each year is for unemployment costs.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

ARTICLE 11

THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.118, is amended to read:

120B.118 TITLE; THE READ ACT.

Subdivision 1. **Title.** Sections 120B.118 to 120B.124 may be cited as the "Reading to Ensure Academic Development Act" or the "Read Act."

Subd. 2. **Policy.** It is the intent of the legislature that public schools promote foundational literacy and grade-level reading proficiency through the use of curricula, textbooks, instructional materials, instructional practices, interventions, and teacher development and training based solely on the science of reading.

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

Sec. 2. Minnesota Statutes 2024, section 120B.119, subdivision 2a, is amended to read:

Subd. 2a. **Certified trained facilitator.** "Certified trained facilitator" means a person employed by a district or ~~regional literacy network~~ Minnesota service cooperative who has completed professional development approved by the Department of Education in structured literacy, completed the vendor's certification prerequisites and facilitator training requirements, completed the vendor's annual recertification requirements, remains in good standing with the sponsoring agency and vendor, uses the vendor's training materials with fidelity, and participates in mentoring or coaching provided by CAREI and the Department of Education on facilitating literacy training. A literacy lead who meets the requirements under this subdivision may be a certified trained facilitator.

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

Sec. 3. Minnesota Statutes 2024, section 120B.119, subdivision 4, is amended to read:

Subd. 4. **Evidence-based.** Evidence-based literacy instruction and literacy materials are based on the science of reading. "Evidence-based" means the instruction or item described is based on reliable, trustworthy, and valid evidence and science-based reading research, and has demonstrated a record of success in increasing students' reading competency in the areas of phonological and phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Evidence-based literacy instruction is explicit, systematic, and includes phonological and phonemic awareness, phonics and decoding, spelling, fluency, vocabulary, oral language, and comprehension that can be differentiated to meet the needs of individual students. Evidence-based instruction does not include the three-cueing system, as defined in subdivision 16.

Sec. 4. Minnesota Statutes 2024, section 120B.119, subdivision 10, is amended to read:

Subd. 10. **Oral language.** "Oral language," also called "~~spoken~~ expressive language" or "receptive language," includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

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

Sec. 5. Minnesota Statutes 2024, section 120B.119, is amended by adding a subdivision to read:

Subd. 14a. **Science-based reading research.** "Science-based reading research" means research that:

(1) applies rigorous, systematic, and objective observational or experimental procedures to obtain knowledge relevant to reading development, reading instruction, and reading and writing difficulties; and

(2) explains how proficient reading and writing develop, why some children have difficulties developing key literacy skills, and how schools can best assess and instruct early literacy, including the use of evidence-based literacy instruction practices to promote reading and writing achievement.

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

Sec. 6. Minnesota Statutes 2024, section 120B.119, subdivision 15, is amended to read:

Subd. 15. **Structured literacy.** "Structured literacy" means an approach to reading instruction based on the science of reading in which teachers carefully structure important literacy skills, concepts, and the sequence of instruction to facilitate children's literacy learning and progress. Structured literacy is characterized by the provision of systematic, explicit, sequential, and diagnostic instruction in phonemic awareness, phonics, fluency, vocabulary and oral language development, and reading comprehension.

Sec. 7. Minnesota Statutes 2024, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners and students receiving special education services, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, ~~oral~~ language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and ~~oral~~ expressive-receptive language mastery. The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills.

(b) A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15.

~~(b)~~ (c) Students in grades 4 and above, including multilingual learners and students receiving special education services, who ~~do not demonstrate mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language,~~ are not reading at grade level must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by the Department of Education ~~for characteristics of dyslexia,~~ and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the

student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

~~(e)~~ (d) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

~~(d)~~ (e) The district also must include in its local literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

- (1) a summary of the district's efforts to screen for reading difficulties, including dyslexia;
- (2) the number of students universally screened for that reporting year;
- (3) the number of students demonstrating characteristics of dyslexia for that year; and
- (4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

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

Sec. 8. Minnesota Statutes 2024, section 120B.12, subdivision 3, is amended to read:

Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. A district is encouraged to provide reading intervention through a MTSS framework. If a student does not read at or above grade level by the end of the current school year, the district must continue to provide reading intervention until the student reads at grade level. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs that specialize in evidence-based instructional practices and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language. Intervention may include but is not limited to requiring student attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.

(b) A district or charter school is strongly encouraged to provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3 or a screener identified by the Department of Education under section 120B.123. The district or charter school must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction that is evidence-based and ongoing progress monitoring, and address knowledge

gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

(c) Starting in the ~~2025-2026~~ 2026-2027 school year, a district must use only evidence-based literacy interventions. Districts are strongly encouraged to use intervention materials approved by the Department of Education under the Read Act.

(d) Starting in the 2026-2027 school year, to provide a Tier 2 literacy intervention, a paraprofessional or other unlicensed person, including a volunteer, must be supervised by a licensed teacher who has completed training in evidence-based reading instruction approved by the Department of Education, and has completed evidence-based training developed under the Read Act by CAREI or the regional literacy networks under section 120B.124, subdivision 4, or a training that the department has determined meets or exceeds the requirements of section 120B.124, subdivision 4.

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

Sec. 9. Minnesota Statutes 2024, section 120B.12, subdivision 4, is amended to read:

Subd. 4. **Staff development.** (a) A district must provide training on evidence-based structured literacy instruction to teachers and instructional staff in accordance with subdivision 1, paragraphs (b) and (c). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) Each district shall use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement explicit, systematic, evidence-based instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension with emphasis on mastery of foundational reading skills as defined in section 120B.119 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers receive training to provide students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have opportunities to improve reading and writing instruction through approved professional development identified in the local literacy plan;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including ~~oral~~ academic language development, and build academic literacy; and

(5) licensed teachers are trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

(c) A district that offers early childhood programs, including voluntary prekindergarten for eligible four-year-old children, early childhood special education, and school readiness programs, must provide classroom teachers in early childhood programs training approved by the Department of Education to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

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

Sec. 10. Minnesota Statutes 2024, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting ~~approved~~ evidence-based curricula and materials starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

(i) students in kindergarten through grade 3;

(ii) students who demonstrate characteristics of dyslexia; and

(iii) students in grades 4 to 12 who are identified as not reading at grade level;

(9) the number of teachers and other staff who have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy; and

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act.

(b) The district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education annually beginning June 15, 2024.

(c) ~~By March 1, 2024, the commissioner of education must develop~~ Districts must use a streamlined template developed by the commissioner of education for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff, by grade level, who have completed training approved by the Department of Education;

(2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

(4) by school site and grade, the approved screeners and the reading curriculum used; and

(5) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

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

Sec. 11. Minnesota Statutes 2024, section 120B.12, is amended by adding a subdivision to read:

Subd. 6. **Dual language immersion programs.** (a) A district dual language immersion program selecting evidence-based screening tools, training, curriculum, or literacy intervention materials after July 1, 2025, must establish an advisory committee to identify literacy screening tools, training for teachers and staff, and curriculum and literacy intervention materials in the target language. Upon request, the Department of Education and regional literacy networks must provide technical assistance to the advisory committee. The committee must:

(1) include members whose first language is the target language, families of enrolled students, a member with expertise in special education, and teachers and other instructional staff;

(2) use a rubric or other instrument to evaluate the alignment of the screening tools, training, and curriculum and literacy intervention materials to the science of reading; and

(3) recommend strategies to support the transfer of literacy skills from the target language to English.

(b) A district dual language immersion program is not required to comply with the requirements under the Read Act except as provided under this subdivision. A district dual language immersion program must:

(1) provide training in accordance with section 120B.123, subdivision 5, to teachers and staff that provide instruction in foundational reading skills in English or assist in providing literacy interventions in English;

(2) administer an approved screener in English in accordance with subdivision 2 in a grade in which the program provides instruction in foundational reading skills in English; and

(3) use evidence-based curriculum and literacy intervention materials aligned to the science of reading when providing instruction in foundational reading skills in English.

(c) The commissioner must provide a district dual language immersion program with a local literacy plan template that the district must use to report:

(1) how the district assesses students' foundational reading skills, oral language, and level of reading proficiency in the target language;

(2) the district's process to notify families with timely information about students' reading proficiency, including how the student's reading proficiency is assessed, any reading-related services or supports provided to the student and the student's progress, and strategies for families to use at home in helping students succeed in become grade-level proficient in reading in English or in the target language;

(3) a description of how the district will determine and provide targeted reading instruction in the target language of instruction and supports to students identified as needing additional support in developing mastery of foundational reading skills;

(4) how the district will identify staff development needs related to literacy instruction and a plan to meet the identified needs;

(5) the reading curricula used by grade level; and

(6) district efforts used to support the transfer of literacy skills from the target language to English.

(d) A district dual language immersion program must post and submit its local literacy plan in accordance with subdivision 4a, but the plan is only required to include the information required under this subdivision.

(e) Notwithstanding paragraph (b), for the 2025-2026 and 2026-2027 school years only, a district dual language immersion program is not required to:

(1) use an approved screening tool, unless the screening tool uses the program's target language;

(2) provide teachers and other staff approved training on literacy instruction unless the training is in the target language; or

(3) use approved curriculum or literacy intervention materials that are not in the target language.

Sec. 12. Minnesota Statutes 2024, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. The screener must be one of the screening tools approved by the Department of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff, ~~contractors~~, and ~~volunteers~~ external partners offering literacy supports in schools may only use screeners that have been approved by the Department of Education.

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

Sec. 13. Minnesota Statutes 2024, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

(1) reading intervention teachers working with students in kindergarten through grade 12;

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) kindergarten through grade 12 special education teachers responsible for foundational reading skills instruction;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing Tier 2 interventions;

(6) employees who select literacy instructional materials for a district; and

(7) teachers licensed to teach English to multilingual learners.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide reading instruction to students in grades 4 to 12; and

(2) teachers who provide instruction to students in a state-approved alternative program.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by ~~a department-approved certified trained facilitator~~ the following may satisfy the professional development requirements under this subdivision-:

(1) a certified trained facilitator; or

(2) a training program that the department has determined meets the professional development requirements under the Read Act.

(e) For the 2024-2025 ~~and 2025-2026~~ school year ~~years~~ only, the hours of instruction requirement under section 120A.41 for students in ~~an~~ elementary and secondary school, as defined in section 120A.05, ~~subdivision subdivisions 9 and 13~~, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, ~~on a day when other students in the district receive instruction~~. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in ~~an~~ elementary and secondary school, as defined in section 120A.05, ~~subdivision subdivisions 9 and 13~~, by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision ~~on a day when other students receive instruction~~. The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 school year.

Sec. 14. Minnesota Statutes 2024, section 120B.123, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(c) The department and CAREI must identify training required for a literacy lead and literacy specialist employed by a district or Minnesota service cooperatives.

(d) The department must employ one or more literacy specialists to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(e) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

(f) The department must partner with CAREI as required under section 120B.124 to approve literacy intervention models by June 30, 2025, subject to final determination by the department. The department must make a list of the ~~15~~ approved evidence-based intervention models available to districts as they are approved by CAREI, ~~starting November 1, 2025~~. Upon approval of the evidence-based intervention models, the department must ensure the models are reviewed by a contracted third party for culturally responsive guidance and materials, and make those findings available to districts once the review process is complete. The department must notify districts of the two-step review process for all materials approved under the Read Act for effectiveness as evidence-based structured literacy, and for cultural responsiveness. The department may identify additional literacy intervention models after the partnership with CAREI has ended.

(g) The department and CAREI must provide ongoing coaching, mentoring, and support to certified trained facilitators.

(h) CAREI must complete all requirements under paragraphs (a) to (g) by June 30, 2025. Starting July 1, 2025, the department must complete any ongoing activities required under this subdivision without assistance from CAREI.

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

Sec. 15. Minnesota Statutes 2024, section 120B.123, is amended by adding a subdivision to read:

Subd. 8. Dual language immersion programs. (a) The Department of Education must:

(1) develop and issue guidance to district language immersion programs on screeners;

(2) identify materials available in programs' target languages to provide instruction in foundational reading skills and an instrument for evaluating alignment to the science of reading;

(3) identify professional development opportunities in programs' target languages on providing instruction in foundational reading skills aligned to the science of reading; and

(4) make recommendations on how districts can support the transfer of literacy skills from the target language to English.

(b) The department must post the guidance, list of materials and professional development opportunities, and recommendations on its website.

Sec. 16. Minnesota Statutes 2024, section 120B.124, subdivision 1, is amended to read:

Subdivision 1. **Resources.** (a) The Department of Education must partner with CAREI for two years beginning July 1, 2023, until ~~August~~ June 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by January 1, 2024, and post a list of the curricula on the department website. The list must include curricula that use culturally and linguistically responsive materials that reflect diverse populations and curricula that reflect the experiences of students from diverse backgrounds, including multilingual learners, biliterate students, and students who are Black, Indigenous, and People of Color. A district that purchases an approved curriculum before the cultural responsiveness review is completed is encouraged to work with the curriculum's publisher to obtain updated materials that are culturally and linguistically responsive and reflect diverse populations. A district is not required to use an approved curriculum;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by August 15, 2023, subject to final approval by the department. The department must post a list of the programs on the department website. The programs may include a program offered by CAREI. The requirements of section 16C.08 do not apply to the selection of a provider under this section;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training and coaching program that trains and supports literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1. Literacy lead training must include instruction on how to train paraprofessionals and volunteers that provide Tier 2 interventions on evidence-based literacy intervention;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level;

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives;

(9) develop a coaching and mentorship program for certified trained facilitators based on the previously approved trainings; and

(10) identify at least 15 evidence-based literacy intervention models by ~~November 1~~ June 30, 2025, and post a list of the interventions on the department website. A district is not required to use an approved intervention model.

(b) The department must contract with a third party to develop culturally and linguistically responsive supplemental materials and guidance for the approved literacy curricula to meet the culturally and linguistically responsive standards under paragraph (a), clause (1).

(c) The department must post on its website the rubric used to evaluate curriculum under this subdivision and how each curriculum reviewed was evaluated under the rubric. The department must also identify any curriculum that was not approved based on any criteria other than alignment to evidence-based structured literacy practices.

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

Sec. 17. Minnesota Statutes 2024, section 120B.124, subdivision 5, is amended to read:

Subd. 5. **Ongoing review of literacy materials.** The department may partner with one or more institutions of higher education to conduct independent and objective reviews of curriculum and intervention materials. The department must determine whether it will partner with an institution of higher education to conduct ongoing reviews of literacy materials by June 1, 2026. A publisher may submit curriculum or intervention materials for review. The publisher is responsible for paying the cost of the review directly to the institution of higher education. The review must use ~~the rubric used~~ a rubric based on the science of reading to approve curriculum under subdivision 4 and post the rubric on the department website. The department and institution of higher education may approve the curriculum or intervention materials if they determine that the curriculum or intervention materials are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflect diverse populations. The department must add the approved curriculum or intervention materials to the list of curricula and materials approved under the Read Act.

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

Sec. 18. Minnesota Statutes 2024, section 120B.124, subdivision 6, is amended to read:

Subd. 6. **Comprehensive review of literacy materials.** Starting in 2033, the department and an institution of higher education may partner to conduct a comprehensive review of curriculum and intervention materials to identify literacy curriculum ~~and~~ supporting materials, and intervention materials that are evidence-based, focused on structured literacy, based on the science of reading, culturally and linguistically responsive, and reflect diverse populations. The department must post on its website the rubrics used to evaluate curriculum and intervention materials. The department must revise the list of approved curriculum and supporting materials, and intervention materials based on the findings of the review.

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

Sec. 19. Minnesota Statutes 2024, section 120B.124, is amended by adding a subdivision to read:

Subd. 7. **Partnership expiration.** The partnership between the department and CAREI expires June 30, 2025. Starting July 1, 2025, the department must complete any duties provided under this section without participation by CAREI.

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

Sec. 20. Minnesota Statutes 2024, section 122A.091, subdivision 1, is amended to read:

Subdivision 1. **Teacher and administrator preparation and performance data; report.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators, in cooperation with board-approved teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Professional Educator Licensing and Standards Board and the Board of School Administrators annually by July 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on their respective websites.

(b) Publicly reported summary data on teacher preparation providers must include:

(1) summary data on teacher educator qualifications and their years of experience either as birth through grade 12 classroom teachers or school administrators;

(2) the current number and percentage of enrolled candidates who entered the program through a transfer pathway disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(3) the current number and percentage of program completers by program who received a Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(4) the current number and percentage of program completers who entered the program through a transfer pathway and received a Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(5) the current number and percentage of program completers who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(6) the current number and percentage of program completers who entered the program through a transfer pathway and who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(7) board-adopted survey results measuring initial licensure program quality and structure in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(8) board-adopted survey results from school principals or supervisors on initial licensure program quality and structure; and

(9) the number and percentage of program completers who met or exceeded the state threshold score on the board-adopted teacher performance assessment required under section 122A.185.

Program reporting must be consistent with subdivision 2.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include:

(1) summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and the years of experience either as kindergarten through grade 12 classroom teachers or school administrators;

(2) the average time program graduates in the preceding year needed to complete the program;

(3) the current number and percentage of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(4) the number of credits by graduate program that students in the preceding school year needed to complete to graduate;

(5) survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; and

(6) information under subdivision 3, paragraphs (c) and (d).

Program reporting must be consistent with section 122A.14, subdivision 10.

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

Sec. 21. Minnesota Statutes 2024, section 122A.092, subdivision 5, is amended to read:

Subd. 5. **Reading strategies.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in its teacher preparation programs evidence-based best practices in reading focused on the science of reading, consistent with sections 120B.118 to 120B.124, including instruction on phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Instruction on reading must enable the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. A teacher preparation provider also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying evidence-based, structured literacy reading instruction programs based on the science of reading that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with sections 120B.118 to 120B.124, with emphasis on mastery of foundational reading skills so that students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels, including multilingual learners and students demonstrating characteristics of dyslexia, to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

- (1) the nature and symptoms of dyslexia;
- (2) resources available for students who show characteristics of dyslexia;
- (3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and
- (4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

(d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

(e) The board must post on its website the rubric or other instrument it uses to evaluate whether a teacher preparation program includes reading instruction that complies with this subdivision and is consistent with sections 120B.118 to 120B.124.

Sec. 22. Minnesota Statutes 2024, section 122A.185, subdivision 1, is amended to read:

Subdivision 1. **Tests.** (a) The board must adopt rules requiring applicants for Tier 3 and Tier 4 licenses to pass an examination or performance assessment of general pedagogical knowledge and examinations or assessments of licensure field specific content. An applicant is exempt from the examination requirements if the applicant:

- (1) completed a board-approved teacher preparation program;
- (2) completed licensure via portfolio pursuant to section 122A.18, subdivision 10, and the portfolio has been recommended;
- (3) obtained national board certification from the National Board for Professional Teaching Standards; or
- (4) completed a state-approved teacher preparation program in another state and passed licensure examinations in that state, if applicable. The content examination requirement does not apply if no relevant content exam exists.

(b) The board must adopt rules requiring an applicant for a Tier 3 or Tier 4 license in elementary education to demonstrate the knowledge, skill, and ability to provide instruction in foundational

reading skills based on the science of reading. An applicant may satisfy this requirement through one of the following:

(1) a performance assessment;

(2) satisfactory completion of training from a department-approved certified trained facilitator;

or

(3) satisfactory completion of other training that satisfies the professional development requirements under the Read Act.

~~(b)~~ (c) All testing centers in the state must provide monthly opportunities for untimed content and pedagogy examinations. These opportunities must be advertised on the test registration website. The board must require the exam vendor to provide other equitable opportunities to pass exams, including: (1) waiving testing fees for test takers who qualify for federal grants; (2) providing free, multiple, full-length practice tests for each exam and free, comprehensive study guides on the test registration website; (3) making content and pedagogy exams available in languages other than English for teachers seeking licensure to teach in language immersion programs; and (4) providing free, detailed exam results analysis by test objective to assist applicants who do not pass an exam in identifying areas for improvement. Any applicant who has not passed a required exam after two attempts must be allowed to retake the exam, including new versions of the exam, without being charged an additional fee.

Sec. 23. Minnesota Statutes 2024, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including evidence-based literacy instruction under sections 120B.118 to 120B.124, to children age 3 to grade 3 and interventions for children in kindergarten to grade 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 142D.12, subdivision 3, paragraph (b).

(c) Literacy programs under this subdivision must use a department-approved screener, evidence-based reading instruction, and interventions focused on structured literacy. ServeMinnesota must demonstrate to the department that the training AmeriCorps members receive meets or exceeds the requirements of section 120B.124, subdivision 4, for volunteers. Minnesota Reading Corps AmeriCorps members are not required to complete the training under section ~~120B.24~~ 120B.124, subdivision 4.

(d) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

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

Sec. 24. Laws 2023, chapter 55, article 3, section 11, subdivision 2, is amended to read:

Subd. 2. **CAREI.** (a) To contract with the Center for Applied Research and Educational Improvement at the University of Minnesota for the Read Act implementation partnership under section 120B.124:

\$	4,200,000	.....	2024
\$	0	.....	2025

(b) This appropriation is available until June 30, ~~2026~~ 2025.

(c) The base for fiscal year 2026 and later is \$0.

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

Sec. 25. Laws 2024, chapter 109, article 4, section 19, is amended to read:

Sec. 19. **PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD READING AUDIT REPORT.**

(a) The Professional Educator Licensing and Standards Board must conduct an audit that evaluates whether and how approved teacher training programs for candidates for the following licensure areas meet subject matter standards for reading:

- (1) early childhood education in accordance with Minnesota Rules, part 8710.3000;
- (2) elementary education in accordance with Minnesota Rules, part 8710.3200; and
- (3) special education in accordance with Minnesota Rules, part 8710.5000.

(b) The board must submit an initial report with its findings to the legislative committees with jurisdiction over kindergarten through grade 12 and higher education by January 15, 2025, and a final report by August 1, 2026. Each report must:

(1) identify the reading standards for each licensure area; identify how they are aligned to the requirements of the Read Act, including requirements on evidence-based instruction, phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension; and identify how they are aligned to the requirements of Minnesota Statutes, section 122A.092, subdivision 5;

(2) describe how the board conducted the audit;

(3) identify the results of the audit; and

(4) summarize the program effectiveness reports for continuing approval related to reading standards reviewed by the board, including the board determinations under Minnesota Rules, part 8705.2200.

(c) The final report must include the rubric or other instrument used to conduct the audit and evaluate program alignment with the science of reading.

Sec. 26. Laws 2024, chapter 115, article 3, section 8, subdivision 5, is amended to read:

Subd. 5. **CAREI paraprofessional and volunteer training.** (a) For CAREI to develop training for paraprofessionals and volunteers that regularly provide Tier 2 literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4:

\$	375,000		2025

(b) This is a onetime appropriation and is available until June 30, ~~2027~~ 2025.

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

Sec. 27. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Department literacy specialist.** (a) For a full-time literacy specialist at the Department of Education:

\$	<u>250,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2027</u>

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 3. **Read Act implementation.** (a) For costs related to Read Act implementation and the termination of the partnership with the Center for Applied Research and Educational Improvement at the University of Minnesota:

\$	<u>700,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>175,000</u>	<u>.....</u>	<u>2027</u>

(b) The base for fiscal year 2028 and later is \$175,000.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 4. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and service cooperatives:

\$	<u>7,750,000</u>	<u>.....</u>	<u>2026</u>
\$	<u>7,750,000</u>	<u>.....</u>	<u>2027</u>

(b) Of the amounts in paragraph (a), \$6,500,000 each year is for the regional literacy networks and \$1,250,000 each year is for statewide training. The department must use the funding to develop a data collection system to: (1) collect and analyze the submission of the local literacy plans and student-level universal screening data; (2) establish the regional literacy networks as a partnership between the department and the Minnesota service cooperatives; and (3) administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured literacy. Each regional literacy network must maintain a literacy lead position and maintain a team of trained literacy

coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each region. Funds may be used to provide training in structured literacy to grade 4 and 5 classroom teachers and literacy professors from Minnesota institutions of higher education.

(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision, and the amounts awarded to districts, charter schools, or service cooperatives.

(d) The regional literacy networks and staff from the Department of Education must provide ongoing support to school districts, charter schools, and service cooperatives implementing evidence-based literacy instruction.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

ARTICLE 12

OFFICE OF THE INSPECTOR GENERAL

Section 1. Minnesota Statutes 2024, section 3.971, is amended by adding a subdivision to read:

Subd. 3b. **Public reports of fraud and misuse.** Notwithstanding the classification of data as not public, the legislative auditor must refer all reports from the public about potential fraud or misuse, as those terms are defined in chapter 15D, to the inspector general. The legislative auditor may coordinate reviews and investigations with the inspector general when coordination conserves resources and does not compromise the reviews or investigations.

Sec. 2. Minnesota Statutes 2024, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;
Commissioner, Housing Finance Agency;
Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation;
Commissioner of veterans affairs;
Executive director of the Gambling Control Board;
Executive director of the Minnesota State Lottery;
Executive director of the Office of Cannabis Management;
Inspector general;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
Chair, Metropolitan Airports Commission;
School trust lands director;
Executive director of pari-mutuel racing;
Commissioner, Public Utilities Commission;

Chief Executive Officer, Direct Care and Treatment; and

Director of the Office of Emergency Medical Services.

Sec. 3. **[15D.01] OFFICE OF THE INSPECTOR GENERAL.**

(a) The inspector general serves as an independent entity responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs.

(b) In exercising the inspector general's powers and duties, the inspector general is in the executive branch and must operate independently of all state executive branch agencies and report directly to the governor. The inspector general must not be subject to direction or interference from any executive or legislative authority.

(c) The inspector general shall direct an Office of the Inspector General.

(d) The inspector general serves in the unclassified service.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. **[15D.02] DEFINITIONS.**

For the purposes of this chapter, the following terms have the meanings given:

(1) "agency program" means a program funded or administered by a state agency, including grants and contracts;

(2) "fraud" means an intentional or deceptive act or failure to act to gain an unlawful benefit;

(3) "investigation" means an audit, review, or inquiry conducted by the inspector general to detect or prevent fraud or misuse;

(4) "misuse" means improper use of authority or position for personal gain or to cause harm to others, including the improper use of public resources or programs contrary to their intended purpose; and

(5) "personal gain" means a benefit to a person; to a person's spouse, parent, child, or other legal dependent; or to an in-law of the person or the person's child.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. **[15D.03] INSPECTOR GENERAL.**

Subdivision 1. **Minimum qualifications.** (a) To be eligible to be appointed as inspector general, a candidate must:

(1) have a bachelor's or higher degree in criminal justice, public administration, law, or a related field;

(2) have at least ten years of professional experience in auditing, investigations, law enforcement, or a related area;

(3) hold a professional certificate from the Association of Inspectors General, including Certified Inspector General or Certified Inspector General Investigator; and

(4) demonstrate a commitment to safeguarding the mission of public service and provide a public disclosure of prior professional opinions, positions, or actions that may influence the candidate's approach to the role.

(b) Current or former commissioners, agency heads, deputy agency heads, governors, or legislators are not eligible to serve as inspector general within five years of their service in those roles. A person elected to an office other than the governor or legislature is not eligible until ten years after the end of service in an elected position.

Subd. 2. **Appointment.** The Legislative Inspector General Advisory Commission will recommend candidates for inspector general after a competitive process from among eligible applicants for the position of inspector general. To be recommended by the commission, a candidate must be approved for recommendation by five of the eight members of the commission. The commission must assess eligible candidates based on qualifications, including experience in auditing, financial analysis, public administration, law enforcement, or related fields. The inspector general is appointed by the governor, after consideration of recommendations from the Legislative Inspector General Advisory Commission, with confirmation by a vote of three-fifths of the senate. Section 15.066, subdivision 3, does not apply.

Subd. 3. **Term.** The inspector general serves a five-year term and may be appointed to unlimited additional terms. An appointment to an additional term must be confirmed by a vote of three-fifths of the senate.

Subd. 4. **Vacancy.** The Legislative Inspector General Advisory Commission must provide recommendations to the governor for appointment to fill a vacancy in the position of the inspector general within 90 days of a vacancy occurring or within 60 days of being advised by the inspector general that a vacancy is expected to occur. The governor must appoint an inspector general within 30 days of receiving recommendations from the Legislative Inspector General Advisory Commission or within 45 days of a vacancy occurring if the advisory commission does not provide recommendations within the time allotted for recommendations under this subdivision.

Subd. 5. **Disclosure.** A candidate considered by the Legislative Inspector General Oversight Commission or selected for appointment by the governor must disclose all political affiliations, appointments, campaign work, or partisan activities prior to confirmation.

Subd. 6. **Nonpartisanship.** The inspector general, and all employees of the office, must perform duties of the office without regard to partisan preferences or influences. While serving, the inspector general, and all employees of the office, may not engage in partisan activities, campaign work, or public political speech, unless protected by the state or United States Constitution.

Subd. 7. **Conflict of interest; code of ethics.** The inspector general and all employees of the office are public officials for purposes of the conflict of interest and statement of economic interest requirements in chapter 10A, and are subject to the code of ethics in section 43A.38, where applicable.

Subd. 8. **Removal.** The inspector general may only be removed by the governor before the expiration of the term for cause after a public hearing conducted by the governor and with approval of both the senate and the house of representatives.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. **[15D.04] POWERS AND DUTIES.**

Subdivision 1. **Authorized powers and responsibilities.** The inspector general is authorized and responsible to:

(1) conduct inspections, evaluations, and investigations of state executive branch agencies and programs according to professional auditing standards to: (i) identify fraud and misuse; (ii) make recommendations for changes to programs to prevent fraud and misuse; and (iii) protect the integrity of the use of public funds, data, and systems;

(2) refer matters for civil, criminal, or administrative action to the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15D.041, the Bureau of Criminal Apprehension, the attorney general's office, or other appropriate authorities;

(3) recommend legislative or policy changes to improve program efficiency and effectiveness;

(4) publish reports on completion of an audit or investigation summarizing findings, recommendations, and outcomes of the inspector general's activities;

(5) investigate any public or private entity that receives public funds to ensure compliance with applicable laws, proper use of funds, and adherence to program requirements;

(6) submit an annual report summarizing the work of the office to the Legislative Inspector General Advisory Commission and make the report publicly available by posting the report on the inspector general's website;

(7) alert relevant commissioners or heads of agencies when the inspector general has a reasonable suspicion that fraud or misuse is being committed, whether or not the inspector general is conducting an investigation, as provided in subdivision 3; and

(8) establish and maintain a current exclusion list in a format readily accessible to agencies that identifies each program and individual for which the inspector general has obtained a court order to freeze or cease distribution of funds or made a recommendation under clause (7) to freeze or cease distribution of funds.

Subd. 2. **Relationship to powers and duties of other agencies.** (a) The inspector general has authority to investigate fraud and misuse of public funds across all programs administered by state agencies.

(b) The inspector general may perform the inspector general's duties and apply the inspector general's authority without obtaining approval from another agency.

(c) The Department of Human Services has primary responsibility to investigate fraud in the Medicaid program, but the inspector general has authority to conduct independent investigations related to the Medicaid program as necessary.

(d) The Department of Children, Youth, and Families has primary responsibility to investigate fraud in the child care assistance program, but the inspector general has authority to conduct independent investigations related to the child care assistance program.

(e) The Department of Health has primary responsibility to investigate fraud related to women, infants, and children (WIC) and food support programs, but the inspector general has authority to conduct independent investigations related to WIC and food support programs.

(f) The inspector general has concurrent authority over general compliance reviews, information technology security audits, or administrative program integrity assessments that are related to fraud or misuse.

(g) The inspector general must refer all reports from the public about potential fraud or misuse to the legislative auditor, and to the commissioner of human services for reports related to Medicaid. The inspector general may coordinate investigations with the legislative auditor, and the commissioner of human services for investigations related to Medicaid, when coordination conserves resources and does not compromise an investigation.

(h) The Department of Information Technology Services shall provide services to the Office of the Inspector General, under a managed services contract, according to section 16E.016.

Subd. 3. Alerting agency of issue; seeking a court order to freeze funds. (a) If the agency does not have primary investigative authority under subdivision 2, the inspector general shall investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is occurring, then the inspector general may, at the inspector general's discretion, alert the commissioner and seek a court order to freeze or stop distribution of public funds, including any applicable due process and appeal rights, working in cooperation with the agency where practical and where it would not jeopardize an investigation.

(b) If the agency has primary investigative authority under subdivision 2 but the inspector general is not satisfied that the agency's internal investigation is adequate or proceeding quickly enough, the inspector general may independently investigate and, if the inspector general has a reasonable suspicion that fraud or misuse is being committed, may make a recommendation to the agency to freeze or cease distribution of funds and notify the appropriate law enforcement agencies.

(c) If a commissioner or head of an agency does not act on a recommendation to freeze or cease distribution of funds as requested, after reasonable notice and consistent with any applicable interagency agreements under section 18, unless prohibited by federal requirements, the inspector general may, at the inspector general's discretion, seek a court order to freeze or stop distribution of public funds, consistent with applicable due process and appeal rights.

(d) If public funds are stopped or frozen pursuant to this subdivision, the inspector general, working with and through the applicable state agency, must ensure that any person whose public funds are interrupted and who is not implicated in the suspected fraud or misuse receive notice of

their rights related to continued receipt of the public funds, services, or programs for which they are eligible.

Subd. 4. **Exceptions for federal funding.** The inspector general must not comply with any provision under this section if compliance with the provision would prevent the state from receiving federal financial participation for the medical assistance program or result in a lower level of coverage or reduced access to coverage for medical assistance enrollees.

EFFECTIVE DATE. Subdivision 2, paragraph (c), and subdivision 3, paragraphs (b) and (c), are effective January 1, 2026, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2026.

Sec. 7. [15D.041] LAW ENFORCEMENT POWERS.

Subdivision 1. **Authorization.** (a) The inspector general may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Office of the Inspector General Anti-Fraud and Waste Bureau, to conduct statewide investigations, and to make statewide arrests under sections 629.30 and 629.34. The primary jurisdiction of the agency is limited to offenses involving fraud, abuse, and any other criminal conduct within the jurisdiction of the Office of the Inspector General as described in this chapter.

(b) Upon request and at the inspector general's discretion, the bureau may respond to a law enforcement agency's request to exercise law enforcement duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter.

Subd. 2. **Arrests and investigations.** The initial processing of a person arrested by the bureau for an offense within its jurisdiction is the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. Subsequent investigation is the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. At the request of the primary jurisdiction, the bureau may assist in a subsequent investigation being carried out by the primary jurisdiction.

Subd. 3. **Policy for notice of investigations.** The bureau must develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated investigation of any person within the jurisdiction of that agency.

Subd. 4. **Chief law enforcement officer.** If the inspector general establishes a law enforcement agency under this section, the inspector general shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the bureau. The chief law enforcement officer shall possess the necessary police and management experience to manage a law enforcement agency. The chief law enforcement officer may appoint, discipline, and discharge all employees of the bureau. All police managerial and supervisory personnel must be full-time employees of the bureau. Supervisory personnel must be on duty and available any time peace officers of the bureau are on duty.

Subd. 5. **Compliance; powers and duties.** (a) Except as otherwise provided in this section, the bureau shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

(b) The bureau has the powers and duties of a law enforcement agency as provided by law, including this section. Other powers and duties provided to the inspector general or the Office of the Inspector General under this chapter do not apply to the bureau.

Subd. 6. **Evidence, documentation, and related materials.** If the bureau seeks evidence, documentation, and related materials pertinent to an investigation, and the matter is located outside of this state, the bureau may designate representatives, including officials of the state where the matter is located, to secure the matter or inspect the matter on its behalf.

Subd. 7. **Annual report on activities and cost-effectiveness.** The bureau shall maintain records and information in order to produce an annual report of its activities as may be prescribed by the inspector general. The inspector general shall report annually to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the inspector general as to the activities and the cost-effectiveness of the bureau.

Subd. 8. **Assignment of peace officers.** Regardless of whether a law enforcement agency is established under this section, the inspector general may enter into memorandums of understanding with chief law enforcement officers of state and local law enforcement agencies to allow peace officers from those agencies to be assigned with the Office of the Inspector General to enforce criminal laws and investigate matters within the jurisdiction of the office. A peace officer assigned under this subdivision must be a licensed peace officer as defined in section 626.84, subdivision 1, paragraph (c). Participating officers remain employees of the same entity that employed them before being assigned under this subdivision. Participating officers are subject to annual performance reviews conducted by the entity's operational supervisor. Peace officers assigned under this subdivision have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff.

Subd. 9. **Data practices.** The Office of the Inspector General Anti-Fraud and Waste Bureau is subject to chapter 13.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 8. **[15D.042] AUXILIARY POWERS.**

Subdivision 1. **Subpoena power.** In all matters relating to official duties, the inspector general has the powers possessed by courts of law to issue and have subpoenas served.

Subd. 2. **Inquiry and inspection power; duty to aid inspector general.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times:

(1) afford reasonable facilities for examinations by the inspector general;

(2) provide returns and reports required by the inspector general;

(3) attend and answer under oath the inspector general's lawful inquiries;

(4) produce and exhibit all books, accounts, documents, data of any classification, and property that the inspector general requests to inspect; and

(5) in all things cooperate with the inspector general.

Subd. 3. **Penalties.** (a) If a person refuses or neglects to obey any lawful direction of the inspector general, a deputy or assistant, or withholds any information, book, record, paper or other document called for by the inspector general for the purpose of examination, after having been lawfully required by order or subpoena, upon application by the inspector general, a judge of the district court in the county where the order or subpoena was made returnable shall compel obedience or punish disobedience as for contempt, as in the case of a similar order or subpoena issued by the court.

(b) A person who swears falsely concerning any matter stated under oath is guilty of a gross misdemeanor.

Sec. 9. [15D.043] IDENTIFICATION OF FRAUD REPORTING TOOL.

(a) The commissioner or other chief executive officer of each agency must prominently highlight on the agency's website the fraud reporting tools administered by the Office of the Inspector General and the Office of the Legislative Auditor under chapter 3.

(b) As part of any grant agreement between the state and a nonprofit organization, the agreement must require the nonprofit organization to prominently highlight on the organization's website the fraud reporting tools administered by the Office of the Inspector General, under chapter 15, and the Office of the Legislative Auditor, under chapter 3. The state agency administering the grant must regularly confirm and document the organization's compliance with the requirement under this paragraph for the life of the grant agreement.

Sec. 10. [15D.046] DATA PRACTICES.

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

(b) "Confidential data on individuals" has the meaning given in section 13.02, subdivision 3.

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

(e) "Not public data" has the meaning given in section 13.02, subdivision 8a.

(f) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(g) "Protected nonpublic data" has the meaning given in section 13.02, subdivision 13.

Subd. 2. **Government Data Practices Act.** The inspector general is a government entity and is subject to the Government Data Practices Act, chapter 13.

Subd. 3. **Access.** In order to perform the duties authorized by this chapter, the inspector general shall have access to data of any classification, including data classified as not public data. It is not a violation of chapter 13 or any other statute classifying government data as not public data if a government entity provides data pursuant to a subpoena issued under this chapter.

Subd. 4. **Dissemination.** The inspector general may disseminate data of any classification, including not public data, to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending investigation or administrative action;

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction; or

(3) the legislative auditor or commissioner of human services as provided in section 15D.04, subdivision 2, paragraph (g).

Subd. 5. **Data classifications; civil investigations.** (a) Notwithstanding any other law, data relating to a civil investigation conducted under this chapter are confidential data on individuals or protected nonpublic data while the investigation is active. Whether a civil investigation is active shall be determined by the inspector general.

(b) Data relating to a civil investigation conducted under this chapter become public data upon the inspector general's completion of the investigation, unless:

(1) the release of the data would jeopardize another active investigation by the inspector general or another government entity;

(2) the inspector general reasonably believes the data will be used in litigation related to any civil, criminal, or administrative actions, including reconsideration or appeal of any such action; or

(3) the data are classified as not public under another statute or paragraph (e).

(c) Data subject to paragraph (b), clause (2), are confidential data on individuals or protected nonpublic data and become public when the litigation has been completed or the time period to appeal has expired, or the litigation is no longer being actively pursued.

(d) Unless the data are subject to a more restrictive classification, upon the inspector general's decision to no longer actively pursue a civil investigation under this chapter, data relating to a civil investigation are private data on individuals or nonpublic data except the following data are public:

(1) data relating to the investigation's general description, existence, status, and disposition; and

(2) data that document the inspector general's work.

(e) Inactive civil investigative data on an individual supplying information for an investigation that could reasonably be used to determine the individual's identity are private data on individuals if the information supplied was needed for the investigation and would not have been provided to the inspector general without an assurance to the individual that the individual's identity would remain private.

(f) Data relating to a civil investigation conducted under this chapter that are obtained from an entity that is not a government entity have the same classification that the data would have if obtained from a government entity.

Subd. 6. **Privileges.** Nothing in this section or section 15D.042 requires the disclosure of documents or information that is legally privileged under statute or other law, including documents or information subject to section 13.393 or 595.02.

Subd. 7. **Criminal investigations.** This section does not apply to criminal investigations conducted by the Office of the Inspector General Anti-Fraud and Waste Bureau under section 15D.041.

Sec. 11. **[15D.05] RESOURCES.**

Subdivision 1. **Staff.** (a) The inspector general may hire and manage staff as necessary and in accordance with chapter 43A. The inspector general must employ and manage at least one attorney to serve as legal counsel for the office and to advise the inspector general on all legal matters relating to the office. Except for the inspector general, the staff in the Office of the Inspector General shall serve in the classified civil service. Except as provided in paragraph (b), compensation for employees of the inspector general in the classified service who are represented by an exclusive representative shall be governed by a collective bargaining agreement negotiated between the commissioner of management and budget and the exclusive representative. Compensation for employees of the inspector general in the classified service who are not represented by an exclusive representative shall be as provided in the commissioner's plan under section 43A.18, subdivision 2, or by the managerial plan under section 43A.18, subdivision 3, depending on the employee's job classification.

(b) Section 15.039, subdivision 7, applies to employees transferred into the Office of the Inspector General from other offices of inspectors general within the first year following enactment of chapter 15D.

Subd. 2. **Contracting.** The inspector general may contract with external experts to support the work of the office, subject to section 16C.08.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 12. **[15D.06] REPORTING AND TRANSPARENCY.**

Subdivision 1. **Reports.** The inspector general must issue public reports detailing completed audits, investigations, and corrective actions taken.

Subd. 2. **Public tips.** The inspector general must maintain a phone line and website for reporting fraud and misuse that allows the person making the report to remain anonymous.

Subd. 3. **Report; inactive investigations.** By December 1, 2026, and each December 1 thereafter, the inspector general must submit a report to the legislative auditor and the chairs and ranking minority members of the legislative committees with jurisdiction over state government and data practices regarding all investigations the inspector general did not open after receiving a tip or complaint or decided to no longer actively pursue for the preceding calendar year. The report must include, at a minimum, summary data as defined in section 13.02, subdivision 19, for:

(1) all complaints or tips received;

(2) the type of allegation;

(3) if the complaint or tip was not frivolous, the reason that the inspector general did not open an investigation or decided to no longer pursue the investigation; and

(4) referrals to other agencies or the legislative auditor.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 13. **[15D.07] PROFESSIONAL STANDARDS AND REVIEW.**

(a) The inspector general's activities must adhere to professional standards as promulgated by the Association of Inspectors General or other recognized bodies.

(b) The governor may contract for an external quality assurance review of the inspector general every three years and must make findings from the review public.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 14. **[15D.08] LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION.**

Subdivision 1. **Membership.** The Legislative Inspector General Advisory Commission is comprised of:

(1) two senators appointed by the majority leader of the senate;

(2) two senators appointed by the minority leader of the senate;

(3) two members of the house of representatives appointed by the speaker of the house of representatives; and

(4) two members of the house of representatives appointed by the minority leader of the house of representatives.

Subd. 2. **Terms.** Members serve at the pleasure of their appointing authorities and each member serves until a replacement is appointed.

Subd. 3. **Chair.** The commission must select a chair after consideration of its members by January 31 of each odd-numbered year. The chair shall serve until a successor is elected. The chair must alternate biennially between the senate and the house of representatives.

Subd. 4. **Duties.** (a) The Legislative Inspector General Advisory Commission must:

(1) consider applicants for and make recommendations to the governor for the position of inspector general; and

(2) may conduct hearings to review the work of the inspector general to ensure impartiality, independence, and effectiveness.

(b) By January 1, 2026, the commission must conduct at least one hearing on, and provide recommendations to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over commerce and public safety on, merging the Financial Crimes and Fraud Section of the Department of Public Safety into the Office of the Inspector General. The recommendations should include proposed legislation to effectuate the merger.

Subd. 5. **Per diem; expense reimbursement.** Members may be compensated for time spent on commission duties and may be reimbursed for expenses according to the rules of their respective bodies.

Subd. 6. **Meeting space; staff.** The Legislative Coordinating Commission must provide meeting space and staff to assist the commission in performing its duties.

Subd. 7. **Open meetings.** The Legislative Inspector General Advisory Commission is subject to the requirements in section 3.055.

EFFECTIVE DATE. This section is effective the day following final enactment. The commission must submit recommendations for an inspector general by January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 609.456, subdivision 2, is amended to read:

Subd. 2. **Legislative auditor and inspector general.** Whenever an employee or officer of the state, University of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence of fraud, theft, embezzlement, or other unlawful use of public funds or property, the employee or officer shall, ~~except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation,~~ promptly report in writing to the legislative auditor or inspector general a detailed description of the alleged incident or incidents.

Sec. 16. **OFFICE OF THE INSPECTOR GENERAL ESTABLISHMENT AND TRANSITION.**

Subdivision 1. **Appointment.** Notwithstanding Minnesota Statutes, section 15D.03, subdivision 4, by January 1, 2026, the Legislative Inspector General Advisory Commission must make recommendations for appointment of an inspector general under Minnesota Statutes, section 15D.03. By February 1, 2026, the governor must appoint an inspector general from among the recommended candidates.

Subd. 2. **Operational.** By September 1, 2026, the Office of the Inspector General must be fully operational.

Subd. 3. **Transition of employees.** (a) Before September 1, 2026, all officers and employees employed in an office of inspector general for a state agency shall transition to employment under the Office of the Inspector General under Minnesota Statutes, chapter 15D, except as specified in subdivision 6.

(b) The following protections shall apply to employees who are transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15D, from state agencies:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer while the agreement remains in effect;

(4) when an employee in a temporary unclassified position is transferred to the Office of the Inspector General, the total length of time that the employee has served in the appointment must include all time served in the appointment at the transferring agency and the time served in the appointment at the Office of the Inspector General. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process under a policy enacted by the commissioner of management and budget is considered to have been hired through a competitive selection process after the transfer;

(5) the state must meet and negotiate with the exclusive representatives of the transferred employees about proposed changes to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement; and

(6) if the state transfers ownership or control of any facilities, services, or operations of the Office of the Inspector General to another private or public entity by subcontracting, sale, assignment, lease, or other transfer, the state must require as a written condition of the transfer of ownership or control the following:

(i) employees who perform work in the facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer; and

(ii) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department.

Subd. 4. **Assets.** Before September 1, 2026, assets and unused appropriations for existing offices of inspectors general shall be transferred to the Office of the Inspector General under Minnesota Statutes, chapter 15D, except as specified in subdivision 6.

Subd. 5. **Office space.** The commissioner of administration must provide office space on the Capitol Mall complex for the Office of the Inspector General under Minnesota Statutes, chapter 15D, under a rental agreement.

Subd. 6. **Exceptions.** (a) Positions, and assets and unused appropriations related to these positions, in the Department of Human Services will not transfer to the Office of the Inspector General.

(b) No employees or positions in the Department of Corrections are transferred under this section.

(c) No employees or positions in the student maltreatment program of the Department of Education or other Department of Education employees or positions dedicated to student maltreatment investigations under Minnesota Statutes, chapter 260E, are transferred under this section.

(d) No employees or positions in the Department of Children, Youth, and Families will transfer to the Office of the Inspector General.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 17. **LEGISLATIVE INSPECTOR GENERAL ADVISORY COMMISSION; INITIAL APPOINTMENTS AND FIRST MEETING.**

Subdivision 1. **Initial appointments.** Appointing authorities must make appointments to the Legislative Inspector General Advisory Commission by August 1, 2025.

Subd. 2. **First meeting.** The senate majority leader must designate one member of the Legislative Inspector General Advisory Commission to convene the first meeting of the Legislative Inspector General Advisory Commission by September 15, 2025.

Subd. 3. **Chair.** The Legislative Inspector General Advisory Commission must elect a chair from among its senate members at its first meeting. The first chair shall serve until a successor is selected at the start of the next biennium as provided in Minnesota Statutes, section 15D.08, subdivision 3.

Sec. 18. **INTERAGENCY AGREEMENTS.**

(a) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Human Services. The agreement must not preclude the agency from performing, or give the inspector general authority to take actions that would interfere with the agency's ability to perform, duties required as a condition for securing or maintaining federal funding. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(b) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Children, Youth, and Families. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical,

but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(c) By December 31, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Health. The interagency agreement must include a clause on cost-sharing for investigations that may require multiagency coordination and a clause that details what process will be followed if a joint investigation is required. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. The agency and the inspector general may coordinate investigative efforts as necessary or practical, but an interagency agreement must not diminish, delay, or restrict the inspector general's ability to investigate fraud and misuse when an independent investigation is pursued.

(d) As soon as practicable after January 1, 2026, the Office of the Inspector General must enter into an interagency agreement with the Department of Education. The interagency agreement must not limit the inspector general's authority or authorized powers and responsibilities. Effective immediately, nothing in Minnesota Statutes, chapter 15D, authorizes any sanction by the commissioner or inspector general that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined by Minnesota Statutes, section 123A.24, subdivision 2; or any library, library system, or library district defined in Minnesota Statutes, section 134.001.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2026, or upon federal approval from the Centers for Medicare and Medicaid Services, whichever is later. The commissioner of human services must notify the revisor of statutes when the Centers for Medicare and Medicaid Services approve or deny this section. The remainder of this section is effective January 1, 2026.

Sec. 19. **APPROPRIATIONS.**

(a) \$644,000 in fiscal year 2026 and \$430,000 in fiscal year 2027 are appropriated from the general fund to the commissioner of administration to establish the Office of the Inspector General. This is a onetime appropriation.

(b) \$3,034,000 in fiscal year 2026 and \$4,432,000 in fiscal year 2027 are appropriated from the general fund to the Office of the Inspector General for purposes of this act. The base for this appropriation is \$4,439,000 in fiscal year 2028 and \$4,474,000 in fiscal year 2029 and each fiscal year thereafter. The commissioner of administration, in consultation with the commissioner of management and budget, may transfer amounts in fiscal year 2026 and fiscal year 2027 to the commissioner of administration for office build out, cost of space, office equipment, and other costs directly related to the establishment of the office.

ARTICLE 13

CONFORMING ITEMS AND REPEALERS

Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol,

the Board of Peace Officer Standards and Training, the Department of Commerce, the Office of the Inspector General Anti-Fraud and Waste Bureau, and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

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

~~(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.~~

~~(e)~~ (b) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(c) "Inspector general" refers to the inspector general as defined in section 15D.01.

~~(d) "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 the department.~~

~~(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.~~

~~(f)~~ (d) "Program participant" means any entity or person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program.

~~(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.~~

~~(h) For purposes of this section, neither "fraud," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.~~

Sec. 3. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate ~~temporary~~ sanctions, ~~including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:~~

~~(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;~~

~~(2) (1) there has been a criminal, civil, or administrative adjudication of fraud, waste, or abuse or misuse against the program participant in Minnesota or in another state or jurisdiction; or~~

~~(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or~~

~~(4) (2) the program participant has a pattern of noncompliance with an investigation.~~

(c) If an investigation finds, by a preponderance of the evidence, fraud, ~~waste, or abuse~~ misuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph ~~(f)~~ (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request

must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General notifies the commissioner that it determines there is insufficient evidence of fraud, waste, or abuse misuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 4. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 8. Limits on receiving public funds; prohibition. (a) This subdivision does not authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) For purposes of this subdivision, "program participant" includes individuals or persons who have an ownership interest in, control of, or the ability to control a program participant in a department program.

(c) If a program participant is excluded from a department program, the commissioner may:

(1) prohibit the excluded program participant from enrolling in, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(d) If a program participant enrolled, licensed, or receiving funds under any contract or program administered by a Minnesota state agency or federal agency is excluded from that program, the inspector general shall notify the commissioner, who may:

(1) prohibit the excluded program participant from enrolling in, becoming licensed, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(e) The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (c) must last for the longest applicable sanction or disqualifying period in effect for the program participant permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (d) may last up until the longest applicable sanction or disqualifying period in effect for the program participant as permitted by state or federal law.

Sec. 5. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 9. Notice. Within five days of taking an action against a program participant under subdivision 8, paragraph (c) or (d), the commissioner must send notice of the action to the program participant. The notice must state the:

- (1) basis for the action;
- (2) effective date of the action;
- (3) right to appeal the action; and
- (4) requirements and procedures for reinstatement.

Sec. 6. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 10. **Appeal.** (a) Upon receipt of a notice under subdivision 9, a program participant may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification was mailed to the program participant.

(b) The appeal request must specify:

- (1) each disputed item and the reason for the dispute;
- (2) the authority in statute or rule upon which the program participant relies for each disputed item;
- (3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and
- (4) other information required by the commissioner.

(c) Unless a timely and proper appeal is received by the commissioner, the action of the commissioner shall be considered final and binding on the effective date of the action as stated in the notice under subdivision 9, clause (2).

Sec. 7. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 11. **Withholding of payments.** (a) This subdivision does not authorize withholding of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school district; charter school; cooperative unit as defined in section 123A.24, subdivision 2; or any library, library system, or library district defined in section 134.001.

(b) Except as otherwise provided by state or federal law, the inspector general shall notify and recommend to the commissioner to withhold payments to a program participant in any program administered by the commissioner, who shall have the authority to withhold such payments to the extent permitted under federal law, if the inspector general determines there is a credible allegation of fraud or misuse for which an investigation is pending for a program administered by the department, a Minnesota state agency, or a federal agency.

(c) Allegations are considered credible when they have indicia of reliability and the inspector general has reviewed the evidence and acts on a case-by-case basis. A credible allegation of fraud is an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining; and

(3) patterns identified through provider audits, civil false claims cases, and investigations.

(d) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this paragraph;

(2) set forth the general allegations as to the reasons for the withholding action, but need not disclose any specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the commissioner.

(e) The withholding of payments shall not continue after the inspector general determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 5 of the intention to take an additional action related to the program participant's participation in a program administered by the commissioner. If the inspector general determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, the inspector general shall notify the commissioner within ten days of the determination.

(f) The withholding of payments is a temporary action and shall not be subject to appeal under this subdivision or chapter 14.

Sec. 8. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general, serving under section 15D.01, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the child care assistance program.

Sec. 9. Minnesota Statutes 2024, section 142A.12, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general, including information listed on the inspector general's exclusion list under section 15D.04, subdivision 1, clause (8).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.0451 or chapter 14.

Sec. 10. Minnesota Statutes 2024, section 144.05, is amended by adding a subdivision to read:

Subd. 9. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general serving under section 15D.01 for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the special supplemental nutrition program for women, infants, and children.

Sec. 11. 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 or misuse 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. 12. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; ~~and~~

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants; and

(5) information from the inspector general, including information listed on the inspector general's exclusion list under section 15D.04, subdivision 1, clause (8).

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

Sec. 13. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 44. **Office of the Inspector General; reports.** The commissioner must submit final investigative reports to the inspector general, serving under section 15D.01, for any investigation conducted by the commissioner into fraud or misuse, as defined in section 15D.02, within the Medicaid program.

Sec. 14. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, Department of Commerce Fraud Bureau Unit officers, Office of the Inspector General Anti-Fraud and Waste Bureau officers, the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 15. **EXISTING DUTIES ABOLISHED; TRANSFERS PROVIDED.**

Subdivision 1. **Duties abolished.** Except as exempted in article 1, section 16, subdivision 6, and Minnesota Statutes, section 15D.04, subdivision 2, duties pertaining to the investigation of fraud, misuse, and other unlawful use of public funds in the Office of the Inspector General in the Department of Education are abolished effective the day after the inspector general under Minnesota Statutes, section 15D.01, certifies in writing to the commissioner of the respective department and the commissioner of management and budget that the inspector general has assumed responsibility for these duties.

Subd. 2. **Inspector general transfers.** Pursuant to Minnesota Statutes, section 15.039, all active investigations, obligations, court actions, contracts, and records shall transfer from the department in subdivision 1 to the inspector general under Minnesota Statutes, section 15D.01, except as provided by the inspector general and as provided in article 1, section 16, subdivision 6, and Minnesota Statutes, section 15D.04, subdivision 2.

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

Sec. 16. **REPEALER.**

Minnesota Statutes 2024, sections 13.321, subdivision 12; and 127A.21, subdivisions 1, 2, 3, 4, 6, and 7, are repealed.

EFFECTIVE DATE. This section is effective the day after the inspector general under Minnesota Statutes, section 15D.01, notifies the revisor of statutes that the Office of the Inspector General under Minnesota Statutes, section 15D.01, has assumed responsibility for identifying and investigating fraud, misuse, and other unlawful use of public funds in the Department of Education.

ARTICLE 14**FORECAST****A. GENERAL EDUCATION**

Section 1. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws 2024, chapter 81, section 1, and Laws 2024, chapter 115, article 1, section 15, is amended to read:

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	8,103,909,000	.....	2024
	~~8,333,843,000~~		
\$	<u>8,280,528,000</u>	.....	2025

(b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,396,655,000 for 2024.

(c) The 2025 appropriation includes \$771,421,000 for 2024 and ~~\$7,562,422,000~~ \$7,509,107,000 for 2025.

Sec. 2. Laws 2023, chapter 55, article 1, section 36, subdivision 3, as amended by Laws 2024, chapter 81, section 2, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	23,000	.....	2024
	~~25,000~~		
\$	<u>23,000</u>	.....	2025

Sec. 3. Laws 2023, chapter 55, article 1, section 36, subdivision 4, as amended by Laws 2024, chapter 81, section 3, is amended to read:

Subd. 4. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section 127A.49:

\$	2,318,000	.....	2024
	~~2,516,000~~		
\$	<u>1,503,000</u>	.....	2025

(b) The 2024 appropriation includes \$126,000 for 2023 and \$2,192,000 for 2024.

(c) The 2025 appropriation includes \$243,000 for 2024 and ~~\$2,273,000~~ \$1,260,000 for 2025.

Sec. 4. Laws 2023, chapter 55, article 1, section 36, subdivision 5, as amended by Laws 2024, chapter 81, section 4, is amended to read:

Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota Statutes, section 123A.485:

\$	7,000	.....	2024
	~~180,000~~		
\$	<u>0</u>	.....	2025

(b) The 2024 appropriation includes \$7,000 for 2023 and \$0 for 2024.

(c) The 2025 appropriation includes \$0 for 2024 and ~~\$180,000~~ \$0 for 2025.

Sec. 5. Laws 2023, chapter 55, article 1, section 36, subdivision 6, as amended by Laws 2024, chapter 81, section 5, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** (a) For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	21,176,000	.....	2024
	~~24,478,000~~		
\$	<u>23,337,000</u>	.....	2025

(b) The 2024 appropriation includes \$1,925,000 for 2023 and \$19,251,000 for 2024.

(c) The 2025 appropriation includes \$2,138,000 for 2024 and ~~\$22,340,000~~ \$21,199,000 for 2025.

Sec. 6. Laws 2023, chapter 55, article 1, section 36, subdivision 7, as amended by Laws 2024, chapter 81, section 6, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** (a) For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	22,979,000	.....	2024
	~~27,177,000~~		
\$	<u>25,802,000</u>	.....	2025

(b) The 2024 appropriation includes \$2,115,000 for 2023 and \$20,864,000 for 2024.

(c) The 2025 appropriation includes \$2,318,000 for 2024 and ~~\$24,859,000~~ \$23,484,000 for 2025.

Sec. 7. Laws 2023, chapter 55, article 1, section 36, subdivision 9, as amended by Laws 2024, chapter 81, section 7, is amended to read:

Subd. 9. **Career and technical aid.** (a) For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	1,664,000	.....	2024
	~~874,000~~		
\$	<u>937,000</u>	.....	2025

(b) The 2024 appropriation includes \$183,000 for 2023 and \$1,481,000 for 2024.

(c) The 2025 appropriation includes \$164,000 for 2024 and ~~\$710,000~~ \$773,000 for 2025.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws 2024, chapter 81, section 8, and Laws 2024, chapter 115, article 2, section 13, is amended to read:

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	82,818,000	.....	2024
	~~85,043,000~~		
\$	<u>84,300,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,172,000 for 2023 and \$74,646,000 for 2024.

(c) The 2025 appropriation includes \$8,294,000 for 2024 and ~~\$76,749,000~~ \$76,006,000 for 2025.

Sec. 9. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, and Laws 2024, chapter 115, article 6, section 3, is amended to read:

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

\$	91,457,000	.....	2024
	~~94,906,000~~		
\$	<u>93,684,000</u>	.....	2025

(b) The 2024 appropriation includes \$9,047,000 for 2023 and \$82,410,000 for 2024.

(c) The 2025 appropriation includes \$9,156,000 for 2024 and ~~\$85,750,000~~ \$84,528,000 for 2025.

Sec. 10. Laws 2023, chapter 55, article 2, section 64, subdivision 21, as amended by Laws 2024, chapter 81, section 10, is amended to read:

Subd. 21. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	14,828,000	.....	2024
	~~16,413,000~~		
\$	<u>14,799,000</u>	.....	2025

Sec. 11. Laws 2023, chapter 55, article 2, section 64, subdivision 23, as amended by Laws 2024, chapter 81, section 11, is amended to read:

Subd. 23. **Literacy incentive aid.** (a) For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	41,071,000	.....	2024
	~~41,588,000~~		
\$	<u>40,570,000</u>	.....	2025

(b) The 2024 appropriation includes \$4,606,000 for 2023 and \$36,465,000 for 2024.

(c) The 2025 appropriation includes \$4,051,000 for 2024 and ~~\$37,537,000~~ \$36,519,000 for 2025.

Sec. 12. Laws 2023, chapter 55, article 2, section 64, subdivision 34, is amended to read:

Subd. 34. **Paraprofessional training.** (a) For compensation associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 121A.642:

\$	0	.....	2024
	~~7,230,000~~		
\$	<u>1,997,000</u>	.....	2025

(b) The 2025 appropriation includes \$0 for 2024 and ~~\$7,230,000~~ \$1,997,000 for 2025.

Sec. 13. Laws 2023, chapter 55, article 4, section 21, subdivision 2, as amended by Laws 2024, chapter 81, section 12, is amended to read:

Subd. 2. **American Indian education aid.** (a) For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	18,131,000	.....	2024
	~~19,672,000~~		
\$	<u>19,649,000</u>	.....	2025

(b) The 2024 appropriation includes \$1,159,000 for 2023 and \$16,972,000 for 2024.

(c) The 2025 appropriation includes \$1,885,000 for 2024 and ~~\$17,787,000~~ \$17,764,000 for 2025.

Sec. 14. Laws 2023, chapter 55, article 4, section 21, subdivision 5, as amended by Laws 2024, chapter 81, section 13, is amended to read:

Subd. 5. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	1,673,000	.....	2024
	~~2,131,000~~		
\$	<u>2,153,000</u>	.....	2025

(b) The 2024 appropriation includes \$255,000 for 2023 and \$1,418,000 for 2024.

(c) The 2025 appropriation includes \$157,000 for 2024 and ~~\$1,974,000~~ \$1,996,000 for 2025.

C. TEACHERS

Sec. 15. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws 2024, chapter 81, section 14, and Laws 2024, chapter 115, article 5, section 11, is amended to read:

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	88,706,000	.....	2024
	~~89,012,000~~		
\$	<u>88,206,000</u>	.....	2025

(b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,882,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$8,875,000 for fiscal year 2024 and ~~\$80,137,000~~ \$79,331,000 for fiscal year 2025.

Sec. 16. Laws 2023, chapter 55, article 5, section 64, subdivision 14, as amended by Laws 2024, chapter 81, section 15, is amended to read:

Subd. 14. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

\$	30,255,000	.....	2024
	~~36,498,000~~		
\$	<u>36,259,000</u>	.....	2025

(b) The 2024 appropriation includes \$0 for fiscal year 2023 and \$30,255,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$3,361,000 for fiscal year 2024 and ~~\$33,137,000~~ \$32,898,000 for fiscal year 2025.

D. SPECIAL EDUCATION

Sec. 17. Laws 2023, chapter 55, article 7, section 18, subdivision 2, as amended by Laws 2024, chapter 81, section 16, is amended to read:

Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	1,597,000	.....	2024
	~~1,844,000~~		
\$	<u>1,952,000</u>	.....	2025

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 18. Laws 2023, chapter 55, article 7, section 18, subdivision 3, as amended by Laws 2024, chapter 81, section 17, is amended to read:

Subd. 3. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	39,000	.....	2024
	~~40,000~~		
\$	<u>0</u>	.....	2025

Sec. 19. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 18, and Laws 2024, chapter 115, article 7, section 4, is amended to read:

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

\$	2,288,826,000	.....	2024
	~~2,486,181,000~~		
\$	<u>2,582,007,000</u>	.....	2025

(b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,058,966,000 for 2024.

(c) The 2025 appropriation includes \$289,842,000 for 2024 and ~~\$2,196,339,000~~ \$2,292,165,000 for 2025.

Sec. 20. Laws 2023, chapter 55, article 7, section 18, subdivision 6, as amended by Laws 2024, chapter 81, section 19, is amended to read:

Subd. 6. **Special education separate sites and programs.** (a) For aid for special education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision 4:

\$	3,880,000	.....	2024
	~~4,505,000~~		
\$	<u>4,282,000</u>	.....	2025

(b) The 2024 appropriation includes \$0 for 2023 and \$3,880,000 for 2024.

(c) The 2025 appropriation includes \$431,000 for 2024 and ~~\$4,074,000~~ \$3,851,000 for 2025.

Sec. 21. Laws 2023, chapter 55, article 7, section 18, subdivision 7, as amended by Laws 2024, chapter 81, section 20, is amended to read:

Subd. 7. **Travel for home-based services.** (a) For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	425,000	.....	2024
	~~475,000~~		
\$	<u>440,000</u>	.....	2025

(b) The 2024 appropriation includes \$32,000 for 2023 and \$393,000 for 2024.

(c) The 2025 appropriation includes \$43,000 for 2024 and ~~\$432,000~~ \$397,000 for 2025.

E. FACILITIES

Sec. 22. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws 2024, chapter 81, section 22, and Laws 2024, chapter 115, article 8, section 5, is amended to read:

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	107,905,000	.....	2024
	~~107,865,000~~		
\$	<u>107,262,000</u>	.....	2025

(b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,084,000 for 2024.

(c) The 2025 appropriation includes \$10,787,000 for 2024 and ~~\$97,078,000~~ \$96,475,000 for 2025.

F. NUTRITION

Sec. 23. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023, chapter 55, article 9, section 16, Laws 2024, chapter 81, section 23, and Laws 2024, chapter 115, article 9, section 8, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

\$	218,801,000	.....	2024
	~~239,686,000~~		
\$	<u>251,667,000</u>	.....	2025

Sec. 24. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023, chapter 55, article 9, section 17, Laws 2024, chapter 81, section 24, and Laws 2024, chapter 115, article 9, section 9, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	44,178,000	.....	2024
	~~48,747,000~~		
\$	<u>54,835,000</u>	.....	2025

Sec. 25. Laws 2023, chapter 55, article 9, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 25, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	428,000	.....	2024
	~~428,000~~		
\$	<u>387,000</u>	.....	2025

Sec. 26. Laws 2023, chapter 55, article 9, section 18, subdivision 8, as amended by Laws 2024, chapter 81, section 26, is amended to read:

Subd. 8. **School library aid.** (a) For school library aid under Minnesota Statutes, section ~~134.356~~ 124D.992:

\$	21,586,000	.....	2024
	~~23,903,000~~		
\$	<u>23,791,000</u>	.....	2025

(b) The 2024 appropriation includes \$0 for 2023 and \$21,586,000 for 2024.

(c) The 2025 appropriation includes \$2,398,000 for 2024 and ~~\$21,505,000~~ \$21,393,000 for 2025.

G. EARLY EDUCATION

Sec. 27. Laws 2023, chapter 54, section 20, subdivision 7, as amended by Laws 2024, chapter 81, section 27, is amended to read:

Subd. 7. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section ~~124D.135~~ 142D.11:

\$	37,209,000	.....	2024
	~~38,985,000~~		
\$	<u>37,874,000</u>	.....	2025

(b) The 2024 appropriation includes \$3,518,000 for 2023 and \$33,691,000 for 2024.

(c) The 2025 appropriation includes \$3,743,000 for 2024 and ~~\$35,242,000~~ \$34,131,000 for 2025.

Sec. 28. Laws 2023, chapter 54, section 20, subdivision 9, as amended by Laws 2024, chapter 81, section 28, is amended to read:

Subd. 9. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections ~~121A.17~~ 142D.091 and ~~121A.19~~ 142D.093:

\$	4,148,000	.....	2024
	~~4,151,000~~		
\$	<u>4,156,000</u>	.....	2025

(b) The 2024 appropriation includes \$349,000 for 2023 and \$3,799,000 for 2024.

(c) The 2025 appropriation includes \$422,000 for 2024 and ~~\$3,729,000~~ \$3,734,000 for 2025.

Sec. 29. Laws 2023, chapter 54, section 20, subdivision 17, as amended by Laws 2024, chapter 81, section 29, is amended to read:

Subd. 17. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section ~~124D.135~~ 142D.11:

\$	382,000	.....	2024
	~~300,000~~		
\$	<u>290,000</u>	.....	2025

(b) The 2024 appropriation includes \$41,000 for 2023 and \$341,000 for 2024.

(c) The 2025 appropriation includes \$37,000 for 2024 and ~~\$263,000~~ \$253,000 for 2025.

H. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 30. Laws 2023, chapter 55, article 11, section 11, subdivision 2, as amended by Laws 2024, chapter 81, section 30, is amended to read:

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	52,566,000	.....	2024
	~~53,684,000~~		
\$	<u>53,880,000</u>	.....	2025

(b) The 2024 appropriation includes \$5,179,000 for 2023 and \$47,387,000 for 2024.

(c) The 2025 appropriation includes \$5,265,000 for 2024 and ~~\$48,419,000~~ \$48,615,000 for 2025.

Sec. 31. Laws 2023, chapter 55, article 11, section 11, subdivision 3, as amended by Laws 2024, chapter 81, section 31, is amended to read:

Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	710,000	.....	2024
	~~1,520,000~~		
\$	<u>1,433,000</u>	.....	2025

(b) The 2024 appropriation includes \$71,000 for 2023 and \$639,000 for 2024.

(c) The 2025 appropriation includes \$71,000 for 2024 and ~~\$1,449,000~~ \$1,362,000 for 2025.

Sec. 32. Laws 2023, chapter 55, article 11, section 11, subdivision 10, as amended by Laws 2024, chapter 81, section 33, is amended to read:

Subd. 10. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes, section 124D.22:

\$	0	.....	2024
	~~1,000~~		
\$	<u>0</u>	.....	2025

(b) The 2024 appropriation includes \$0 for 2023 and \$0 for 2024.

(c) The 2025 appropriation includes \$0 for 2024 and ~~\$1,000~~ \$0 for 2025.

Sec. 33. **EFFECTIVE DATE.**

Sections 1 to 32 are effective the day following final enactment."

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Rarick appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	McEwen	Port
Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Hawj, Mann, Pha, and Rest.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Miller.

So the decision of the President was sustained.

Senator Rarick moved to amend H.F. No. 1143 as follows (A-5):

Page 1, after line 8, insert:

"Sec. 2. Minnesota Statutes 2024, section 126C.43, subdivision 2, is amended to read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary (1) to pay the district's obligations under

section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment; or (2) the amount of the district's current levy under paragraph (a).

(c) The amount in paragraph (a) must not include the amounts for hourly school employees during the period of the summer term prior to September 10, 2028.

(d) Beginning September 10, 2028, the amount in paragraph (a) must not include any amounts for hourly school employees whose unemployment costs are included in special education costs eligible for aid under section 125A.76.

Sec. 3. Minnesota Statutes 2024, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to any week during the period between two successive academic years or terms if an applicant worked in a capacity other than instructional, research, or principal administrative capacity.

(c) Paragraph (a) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

(l) This subdivision expires September 9, 2028.

Sec. 4. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 7a. **Higher education employees; between terms.** (a) Starting September 10, 2028, this subdivision governs unemployment benefits of employees of higher education institutions between academic years or terms.

(b) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(c) Paragraph (b) does not apply to any week during the period between two successive academic years or terms if an applicant worked in a capacity other than instructional, research, or principal administrative capacity.

(d) Paragraph (b) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.

(e) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(f) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(g) Paragraph (b) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(h) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(i) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(j) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(k) For purposes of this subdivision, an "educational institution" is a college or university operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(l) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 5. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 7b. **School employees; between terms.** (a) Starting September 10, 2028, this subdivision governs unemployment benefits of school employees between academic years or terms.

(b) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that

the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(c) Paragraph (b) does not apply to an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment.

(d) If unemployment benefits are denied to any applicant under paragraph (b) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (b).

(e) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(f) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(g) Paragraph (b) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(h) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(i) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(j) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(k) For purposes of this subdivision, an "educational institution" is a school or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(l) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 6. Minnesota Statutes 2024, section 268.085, is amended by adding a subdivision to read:

Subd. 8a. **Services for school contractors.** (a) Starting September 10, 2028, wage credits from an employer are subject to subdivision 7b, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7b if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Draskowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Miller, and Pratt.

Those who voted in the negative were:

Abeler	Fateh	Klein	McEwen	Port
Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodziński	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Hawj, Latz, Mann, Mohamed, Pha, and Rest.

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

Senator Howe moved to amend H.F. No. 1143 as follows (A-2):

Page 1, line 10, delete "\$77,232,000" and insert "\$100,000,000"

Page 1, delete section 3 and insert:

"Sec. 3. SPECIAL EDUCATION CROSS SUBSIDY REDUCTION AID FACTOR ADJUSTMENT."

(a) Notwithstanding any law to the contrary, the appropriations in 2025 House File 2433, the second engrossment, article 5, section 3, subdivision 4, or a similarly styled bill, if enacted, must not be reduced for savings attributable to the interaction with the school unemployment aid under section 4.

(b) The commissioner of education must distribute any amounts identified under paragraph (a) by increasing the special education cross subsidy aid factor under Minnesota Statutes, section 125A.76, subdivision 2e, paragraph (b) as necessary for fiscal years 2026, 2027, and 2028."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Miller, and Pratt.

Those who voted in the negative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Fateh, Hawj, Latz, Mann, Mohamed, Pha, and Rest.

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

H.F. No. 1143 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 44 and nays 23, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Johnson Stewart	McEwen	Port
Boldon	Farnsworth	Klein	Miller	Putnam
Carlson	Fateh	Kunesh	Mitchell	Rest
Champion	Frentz	Kupec	Mohamed	Seeberger
Clark	Gustafson	Latz	Murphy	Weber
Coleman	Hauschild	Limmer	Nelson	Westlin
Cwodzinski	Hawj	Mann	Oumou Verbeten	Wiklund
Dibble	Hoffman	Marty	Pappas	Xiong
Dornink	Housley	Maye Quade	Pha	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Hawj, Latz, Mann, Mohamed, Pha, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Miller.

Those who voted in the negative were:

Anderson	Green	Johnson	Lucero	Utke
Bahr	Gruenhagen	Koran	Mathews	Wesenberg
Dahms	Heintzeman	Kreun	Pratt	Westrom
Draheim	Howe	Lang	Rarick	
Drazkowski	Jasinski	Lieske	Rasmusson	

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 presider, Senator Klein, called the Senate to order.

CALL OF THE SENATE

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Champion moved that the following members be excused for a Conference Committee on S.F. No. 1832 at 5:30 p.m.:

Senators Champion, Hauschild, Mohamed, Oumou Verbeten, and Draheim. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2446, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2446 is herewith transmitted to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 18, 2025

CONFERENCE COMMITTEE REPORT ON H. F. No. 2446

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 agricultural provisions; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2; 18B.01, subdivision 1d, by adding a subdivision; 18B.30; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 18C.

May 18, 2025

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2446 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2446 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS****Section 1. AGRICULTURE 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.

APPROPRIATIONS
Available for the Year
Ending June 30
2026 2027

Sec. 2. DEPARTMENT OF AGRICULTURE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>58,957,000</u>	<u>\$</u>	<u>56,052,000</u>

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>58,558,000</u>	<u>55,653,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, unless otherwise specified in this section, the commissioner of agriculture may use up to 7.5 percent of money appropriated for costs incurred to administer the Department of Agriculture's grant and financial assistance programs.

Subd. 2. Protection Services

Appropriations by Fund

<u>General</u>	<u>20,828,000</u>	<u>21,207,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) \$639,000 the first year and \$639,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner

may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) \$275,000 the first year and \$250,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2025. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal money to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff. The base for this appropriation is \$175,000 in fiscal year 2028 and each year thereafter.

(d) \$255,000 the first year and \$230,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$40,000 of the appropriation each year for grants to

producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is \$155,000 in fiscal year 2028 and each year thereafter.

(e) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(f) \$750,000 the first year and \$750,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, match federal money, and offer more online inspections for the purposes of this paragraph. This is a onetime appropriation.

(g) \$500,000 the first year and \$500,000 the second year are for grants to counties to support county agricultural inspectors. The commissioner may use up to three percent of the appropriation each year for administration. This is a onetime appropriation. County agricultural inspectors and county-designated employees must annually submit an application, on a form approved by the commissioner, to be eligible for funding during a given year. The commissioner must equally divide available grant money among eligible counties. To be eligible for grants under this section, a county must employ a county agricultural inspector or a county-designated employee who:

(1) has attended training for new county agricultural inspectors offered by the commissioner;

(2) coordinates with the commissioner to review applicable laws and enforcement procedures;

(3) compiles and submits to the commissioner local weed inspector annual report data;

(4) conducts an annual meeting and training for local weed inspectors; and

(5) assists the commissioner with control programs and other agricultural programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as directed by the county board.

(h) \$250,000 the first year and \$250,000 the second year are appropriated to establish and administer the biofertilizer innovation and efficiency program under Minnesota Statutes, section 18C.113. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of fiscal year 2026 does not cancel and is available until June 30, 2027. This is a onetime appropriation.

(j) \$75,000 the first year is to conduct an evaluation of the practice performance and economic performance of the Olmsted County groundwater protection and soil health initiative, including the cover crop program, alternative crops program, and haying, grazing, and pasture enhancement program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may contract with an independent third party to conduct the evaluation.

(k) \$420,000 the first year and \$924,000 the second year are to support current services.

Subd. 3. Agricultural Marketing and Development22,851,00022,601,000

(a) \$634,000 the first year and \$634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(c) \$100,000 the first year and \$100,000 the second year are for mental health outreach and support to farmers, ranchers, farm workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is \$50,000 in fiscal year 2028 and each year thereafter.

(d) \$18,257,000 the first year and \$18,007,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is \$17,449,000 in fiscal year 2028 and each year thereafter.

(e) Except as provided in paragraph (f), the commissioner may allocate the appropriation in paragraph (d) each year among the

following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph (d) for costs incurred to administer the program.

(f) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$3,000,000 the first year and \$3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16,

41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) \$2,750,000 the first year and \$2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the

areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$350,000 the first year and \$250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000;

(5) \$1,594,000 the first year and \$1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base for this appropriation is \$1,636,000 in fiscal year 2028 and each year thereafter. 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;

(6) up to \$1,750,000 the first year and up to \$1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) \$1,000,000 the first year and \$1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to \$200,000 the first year and up to \$200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) \$250,000 the first year and \$150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to \$525,000 the first year and up to \$525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed \$200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

(g) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI

Works grants under paragraph (f), clause (10).

Subd. 4. **Administration and Financial Assistance**

14,879,000

11,845,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$300,000 the first year and \$300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is \$250,000 in fiscal year 2028 and each year thereafter.

(c) \$1,250,000 the first year and \$1,250,000 the second year are to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2027, are available until June 30, 2029. The base for this appropriation is \$1,000,000 in fiscal year 2028 and each year thereafter.

(d) \$1,000,000 the first year and \$1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. The commissioner may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) \$1,000,000 the first year and \$1,000,000 the second year are to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer

working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) \$137,000 the first year and \$203,000 the second year are to support current services.

(h) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) \$3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(k) \$50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative

committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

(r) \$50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by March 15, 2026.

(s) \$700,000 the first year and \$700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

(t) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 3. **BOARD OF ANIMAL HEALTH**

\$

6,675,000 **\$**

6,800,000

\$265,000 the first year and \$390,000 the second year are to maintain the current level of service delivery.

Sec. 4. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

\$ 4,388,000 \$ 4,434,000

\$45,000 the first year and \$91,000 the second year are to maintain the current level of service delivery.

Sec. 5. TRANSFERS; ADMINISTRATION.

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Agriculture as the commissioner of agriculture considers necessary, with the advanced approval of the commissioner of management and budget. The commissioner of agriculture shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance quarterly about the transfers made under this section.

Sec. 6. TRANSFERS.

(a) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$1,500,000 in fiscal year 2026 from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(b) Of the amount transferred to the agricultural emergency account under Minnesota Statutes, section 17.041, up to \$750,000 may be used for the following purposes:

(1) to test milk, milk products, poultry products, and pet food before retail sale for the presence of avian influenza;

(2) to transfer money to the commissioner of health for biomonitoring for the presence of avian influenza in agricultural workers, farm workers, and poultry or livestock processing employees who volunteer to participate; and

(3) to transfer money to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for avian influenza in urban wastewater treatment processes, drinking water treatment processes, and public and private wells.

Prior to using or transferring money under this paragraph, the commissioner of agriculture must communicate the intended use and the estimated amount of money to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance.

(c) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. 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,

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

(d) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 from the general fund to the Minnesota grown account under Minnesota Statutes, section 17.102, subdivision 4. The transferred money may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2027, for Minnesota grown grants in this paragraph are available until June 30, 2029. 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, subdivision 4, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(e) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$10,677,000 in fiscal year 2026 and \$10,677,000 in fiscal year 2027 from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, for purposes of the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14. The commissioner of agriculture shall transfer money each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this transfer for costs incurred to administer this program. Of the amount transferred for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 in fiscal year 2026 and up to \$1,000,000 in fiscal year 2027 are for research on avian influenza, salmonella, and other turkey related diseases and disease prevention measures;

(3) \$2,500,000 in fiscal year 2026 and \$2,500,000 in fiscal year 2027 are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants. This allocation is \$2,250,000 in fiscal year 2028 and each year thereafter;

(4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

(5) \$802,000 in fiscal year 2026 and \$802,000 in fiscal year 2027 are to fund the Forever Green Initiative and protect Minnesota's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the money in this clause, including administrative costs, and the achievements this money contributed to;

(6) \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for research on natural stands of wild rice;

(7) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist;

(8) \$290,000 in fiscal year 2026 is for the Board of Regents of the University of Minnesota for purposes of research on crop contamination and exposure to prions deposited by animals infected with chronic wasting disease. This is a onetime allocation; and

(9) \$75,000 in fiscal year 2026 and \$75,000 in fiscal year 2027 are for grants to the Southwest Minnesota State University Foundation to support the Minnesota Agriculture and Rural Leadership program. This is a onetime allocation.

The commissioner of management and budget must include a transfer of \$10,352,000 each year from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(f) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest or no-interest loans issued through the agriculture best management practices loan program under Minnesota Statutes, section 17.117. 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, in each forecast prepared under Minnesota Statutes, section 16A.103, from the effective date of this section through the February 2027 forecast.

(g) The commissioner of agriculture, in consultation with the commissioner of management and budget, must transfer \$500,000 in fiscal year 2026 from the grain indemnity account under Minnesota Statutes, section 223.24, subdivision 1, in the agricultural fund to the grain buyers and storage account under Minnesota Statutes, section 232.22, subdivision 3, in the agricultural fund.

Sec. 7. CANCELLATIONS.

(a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) \$1,000,000 of the fiscal year 2025 general fund appropriation for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, that was allocated for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants under Laws 2024, chapter 126, article 1, section 1, subdivision 4, paragraph (d), clause (6), is canceled to the general fund by June 30, 2025.

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

Sec. 8. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended by Laws 2022, chapter 95, article 1, section 1, is amended to read:

**Subd. 4. Agriculture, Bioenergy, and Bioproduct
Advancement**

25,343,000

27,257,000

(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to provide an update on the status of research and related accomplishments.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$16,028,000 the first year and \$17,928,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed \$800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed \$600,000 each year for urban youth agricultural education or urban agriculture community development of which \$10,000 each year is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed \$450,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and

other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$4,500,000 the first year and \$5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base appropriation under this clause is \$5,750,000 in fiscal year 2024 and thereafter;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10

retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$750,000 the first year and \$1,400,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The base appropriation under this clause is \$250,000 in fiscal year 2024 and thereafter; and

(5) \$1,400,000 the first year and \$1,400,000 the second year are for livestock investment

grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime.

Notwithstanding Minnesota Statutes, section 16A.28, ~~any unencumbered balance does not cancel at the end of the first year and is available for the second year, and this appropriation does not cancel at the end of the second year and is available until June 30, 2029.~~ Appropriations encumbered under contract on or before June 30, ~~2023~~ 2029, for agricultural growth, research, and innovation grants are available until June 30, ~~2026~~ 2032.

The base amount for the agricultural growth, research, and innovation program is \$17,553,000 in fiscal year 2024 and \$17,553,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

(c) \$15,000 the first year and \$29,000 the second year are to maintain the current level of service delivery.

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

Sec. 9. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws 2024, chapter 126, article 1, section 1, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	34,034,000	38,159,000

(a) \$10,702,000 the first year and \$10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner

shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$802,000 the first year and \$802,000 the second year are to fund the Forever Green

Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to;

(7) \$350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime;

(8) \$200,000 the second year is for research on natural stands of wild rice; and

(9) \$250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,352,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027.

(c) \$23,332,000 the first year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock

operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the first year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) \$3,375,000 the first year is for grants that enable retail petroleum dispensers, fuel

storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$1,250,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any

unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(5) \$1,150,000 the first year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients;

(6) \$2,000,000 the first year is for urban youth agricultural education or urban agriculture community development;

(7) \$1,000,000 the first year is for the good food access program under Minnesota Statutes, section 17.1017; and

(8) \$225,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(i) equipment required for a meat cutting program;

(ii) facility renovation to accommodate meat cutting; and

(iii) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) \$27,457,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section

41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal

year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;

(3) \$3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of money leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number

of grants to minority-owned or female-owned businesses. The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;

(4) \$1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;

(5) \$1,275,000 the second year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) \$4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in

2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) \$2,000,000 the second year is for urban youth agricultural education or urban agriculture community development;

(8) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017; and

(9) \$225,000 the second year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this paragraph, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, ~~this~~ the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(e)~~ (f) The base for the agricultural growth, research, and innovation program is \$17,582,000 in fiscal year 2026 and each year thereafter and includes \$200,000 each year for cooperative development grants.

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

ARTICLE 2**BROADBAND****Section 1. BROADBAND DEVELOPMENT 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.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$ 1,001,000</u>	<u>\$ 1,001,000</u>

\$1,001,000 each year is for the Office of Broadband Development.

ARTICLE 3**POLICY PROVISIONS**

Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

17.1017 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or context indicates that a different meaning is intended, the following terms have the meanings given them.

(b) "Account" means the ~~good food access~~ retail improvement and development account established in subdivision 3.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Economic or community development financial institution (ECDFI)" means a lender, including but not limited to a community development financial institution (CDFI), an economic development district (EDD), a political subdivision of the state, a microenterprise firm, or a nonprofit community lending organization that has previous experience lending to a food retailer, producer, or another healthy food enterprise ~~in an underserved community in a low-income or moderate-income area, as defined in this section; has been in existence and operating prior to January 1, 2014; has demonstrated the ability to raise matching capital and in-kind services to leverage appropriated~~

money; has the demonstrated ability to underwrite loans and grants; and has partnered previously with nonprofit healthy food access, public health, or related governmental departments or community organizations.

(e) "Farmers' market" means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.

(f) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(g) "Food hub" means a centrally located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, marketing, and sale of locally or regionally produced food products, and which may include a small-scale retail grocery operation.

~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access Program Advisory Committee under section 17.1018.~~

(h) "Food Retail Improvement and Development Program Advisory Committee" means the Food Retail Improvement and Development Program Advisory Committee under section 17.1018.

(i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also sell household products, sundries, and other products. Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment and may include a mobile food market or a delivery service operation.

(j) "Low-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(k) "Moderate-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census in which the median family income is between 81 percent and 95 percent of the median family income for that area.

(l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative retail grocery operation located in a movable new or renovated truck, bus, or other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal supply of cooking utensils and equipment and other household products and sundries.

(m) "Program" means the ~~good food access~~ retail improvement and development program established in this section.

(n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store as defined in this section. Small food retailer includes, but is not limited to, a corner store, convenience store, farmers' market, mobile food market, and a retail food outlet operated by an emergency food program or food hub.

(o) "Technical assistance" means needs-based project assistance provided through the program, including sustainability-focused individualized guidance, presentations, workshops, trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other guidance and resources on relevant topics such as business planning, sales projections, cash flow, succession planning, financing, fundraising, marketing, food preparation demonstrations, and workforce training.

(p) "Underserved community" means ~~a census tract that is federally designated as a food desert by the United States Department of Agriculture, or a census tract in a low-income or moderate-income area that includes a substantial subpopulation such as the elderly or the disabled that has low supermarket access, regardless of distance, due to lack of transportation~~ geographic area or group of people whose food access needs are not met by existing retail options, including a low-income and moderate-income area, a census tract that is federally designated as a food desert by the United States Department of Agriculture, an area where there is a limited number of grocery stores, or a group of people with particular needs such as the aging population, people with disabilities, or people with special dietary needs or preferences, or as otherwise defined by the commissioner.

Subd. 2. **Program established.** (a) A ~~good food access~~ retail improvement and development program is established within the Department of Agriculture to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~ by providing financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; expanding access to credit and reducing barriers to investment in underserved communities ~~in low- and moderate-income areas~~; and to provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas. The commissioner, in cooperation with public and private partners, shall establish and implement the program as provided in this section.

(b) The ~~good food access~~ retail improvement and development program shall be comprised of state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to increase the availability of and access to affordable fresh produce and other nutritious, culturally appropriate food to underserved communities ~~in low-income and moderate-income areas~~.

Subd. 3. **Good Food access retail improvement and development account.** A ~~good food access~~ retail improvement and development account is established in the agricultural fund. The account consists of money appropriated by the legislature to the commissioner, as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and shall be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

Subd. 4. **Program administration.** (a) The commissioner shall be the administrator of the account for auditing purposes and shall establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year shall remain in the account and shall not cancel. In each biennium, the commissioner shall determine the appropriate proportion of money to be allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation, the commissioner shall convene and maintain the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee.

(f) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall manage the program, establish program criteria, facilitate leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall establish annual monitoring and accountability mechanisms for all projects receiving financing or other financial or technical assistance through this program.

Subd. 5. Eligible projects. (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. All projects must ~~be located in~~ serve an underserved community or must serve primarily underserved communities in low-income and moderate-income areas.

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.

Subd. 6. Qualifications for receipt of financing and other financial or technical assistance.

(a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial ~~or technical~~ assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

(2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans; and

(3) comply with all data collection and reporting requirements established by the commissioner; and.

~~(4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.~~

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Subd. 7. **Additional selection criteria.** In determining which qualified projects to finance, and in determining which qualified projects to provide with grants or other types of financial or technical assistance, the commissioner, in cooperation with any entities with which the commissioner contracts for those purposes and the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

(1) the level of need in the area to be served;

(2) the degree to which the project requires an investment of public support, or technical assistance where applicable, to move forward, build capacity, create community impact, or be competitive;

(3) the likelihood that the project will have positive economic and health impacts on the underserved community, including creation and retention of jobs for local or regional residents ~~from~~

~~low income and moderate income areas~~ that reflect area demographics, including Indigenous communities and communities of color;

(4) the degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition, promote healthy eating and healthy weight, and support locally grown food products through programs such as Minnesota Grown; and

(5) any other criteria that the commissioner, in cooperation with public and private partners, determines to be consistent with the purposes of this chapter.

Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest, and forgivable loans, grants, and other financial or technical assistance, may be used to support one or more of the following purposes:

(1) site acquisition and preparation;

(2) predevelopment costs, including but not limited to feasibility studies, market studies, and appraisals;

(3) construction and build-out costs;

(4) equipment and furnishings;

(5) workforce or retailer training; and

(6) working capital.

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

~~(5) any market or commodity expansion associated with increased access;~~

~~(6)~~ (5) the demographics of the areas served;

~~(7)~~ (6) the costs of the program;

~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;

~~(9)~~ (8) any increase in retail square footage;

~~(H) (9)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~ businesses owned by women and Black, Indigenous, or Persons of Color; and

~~(H) (10)~~ (10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

17.1018 GOOD FOOD ACCESS RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM ADVISORY COMMITTEE.

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

(1) "program" means the good food access program under section 17.1017; and

(2) "commissioner" means the commissioner of agriculture.

Subd. 2. **Creation.** The ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee consists of the following members, appointed by the commissioner of agriculture, unless otherwise specified:

(1) the commissioners of health; ~~employment and economic development; and human services~~ children, youth, and families, or their respective designees;

(2) one person representing the grocery industry;

(3) two people representing economic or community development, one rural member and one urban or suburban member;

(4) two people representing political subdivisions of the state;

(5) one person designated by the Council for Minnesotans of African Heritage;

(6) one person designated by the Minnesota Indian Affairs Council;

(7) one person designated by the Council on Asian Pacific Minnesotans;

(8) one person designated by the ~~Chicano-Latino Affairs~~ Council on Latino Affairs;

(9) one person designated by the Minnesota Farmers Union;

(10) one person representing public health experts;

(11) one person representing philanthropic foundations;

(12) one person representing economic or community development financial institutions;

(13) one person representing the University of Minnesota Regional Sustainable Development Partnerships;

(14) two people representing organizations engaged in addressing food security, one representative from a statewide hunger relief organization and one from a community-based organization;

(15) one person representing immigrant farmer-led organizations;

(16) one person representing small business technical assistance with experience in food retail; and

(17) up to four additional members with economic development, health equity, financial, or other relevant expertise.

At least half of the members must reside in or their organizations must serve rural Minnesota. The commissioner may remove members and fill vacancies as provided in section 15.059, subdivision 4.

Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Subd. 8. **Expiration.** The advisory committee does not expire.

Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, ~~rural~~ landowners, and water-quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

Subd. 3. **Appropriations.** Up to ~~\$140,000,000~~ \$280,000,000 of the balance in the clean water revolving fund in section 446A.07, as determined by the Public Facilities Authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ~~ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000~~ 50 percent of the first \$20,000 of qualifying expenditures and 25 percent of the next \$220,000 of qualifying expenditures. The commissioner may award multiple livestock investment grants to a person over the life of the program and shall give preference to applicants who have not previously received a grant under this section.

Sec. 6. Minnesota Statutes 2024, section 17.118, 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 ~~them~~.

(b) "Livestock" means animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock, including but not limited to beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, aquaculture, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines, booster pumps, and well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

- (vii) milk storage and cooling facilities;
- (viii) bulk tanks;
- (ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;
- (x) manure pumping and storage facilities;
- (xi) swine farrowing facilities;
- (xii) swine and cattle finishing barns;
- (xiii) calving facilities;
- (xiv) digesters;
- (xv) equipment used to produce energy;
- (xvi) on-farm processing facilities equipment;
- (xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, subdivision 4; and
- (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant must:

- (1) be a resident of Minnesota, a unit of Tribal government, or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;
- (2) be the principal operator of the farm;
- (3) hold a feedlot registration, if required; and
- (4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

Sec. 8. Minnesota Statutes 2024, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than \$250,000 per year from the sale of farm products;

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

(4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

(e) "Limited land access" means farming without ownership of land and:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

(f) "Limited market access" means the individual has gross sales of no more than \$100,000 per year from the sale of farm products.

Sec. 9. Minnesota Statutes 2024, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to ~~\$15,000~~ \$20,000 per eligible farmer. Each award must be matched with at least \$8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

Sec. 10. Minnesota Statutes 2024, section 18.79, subdivision 3, is amended to read:

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to 18.91, an inspector or county-designated employee shall contact a landowner through direct communication prior to entering upon the land for a noxious weed inspection. If a landowner cannot be contacted, an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages. For the purposes of this subdivision, "direct communication" may include contact with the landowner through an in-person visit, phone call, voice mail, text message, mail, or email. A landowner cannot refuse an inspector or county-designated employee having probable cause to conduct an inspection for noxious weeds on their lands. Within five business days of a completed inspection, the inspector or county-designated employee shall provide the landowner with a copy of the inspection report, including further actions if applicable.

Sec. 11. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph (a), if the product contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

(b) Beginning January 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

Sec. 12. 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.

Sec. 13. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision to read:

Subd. 6. **Fertilizers and fertilizer by-products.** The commissioner may coordinate the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products among state agencies and local governments and may assist other state agencies and local governments in providing such protection.

Sec. 14. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** The provisions of this chapter do not apply to ~~an individual~~ a person who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the person is an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence;

(2) the person does not hold a commercial feed license under section 25.341;

(3) the ~~individual~~ person is registered with the commissioner under section 28A.152, subdivision 4;

~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

~~(3)~~ (5) the pet treats are baked or dehydrated;

~~(4)~~ (6) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating, "These products are homemade and not subject to state inspection."; and

~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and registration number or address of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products are homemade and not subject to state inspection."

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 16. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to read:

Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy producers. Milk marketer does not include:

(1) a person who only brokers a contract between a milk producer and a milk contractor but does not become a party to the contract, take control of the milk, or accept payment on behalf of the milk producer;

(2) a person who only buys or sells milk on a board of trade or commodity exchange;

(3) a person who collects milk solely from their own farm, for use in their own dairy plant; or

(4) a person who only sells milk direct to the end consumer, from their own farm.

Sec. 17. [32D.31] MILK MARKETING LICENSE.

Subdivision 1. **License requirement and eligibility.** A current milk marketing license is required for any milk marketer who procures more than 700,000 pounds of milk annually from Minnesota farms. Before a milk marketing license is issued, the commissioner must determine that the applicant meets the relevant licensing requirements.

Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form provided by the commissioner. An applicant must also submit:

(1) a report of the total milk payroll obligations that the applicant incurred during the applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant will incur during the applicant's first complete fiscal year;

(2) a report of any milk payroll obligations to dairy producers that were unpaid during the applicant's last completed fiscal year and the payroll amount; and

(3) the total amount of hundredweights procured, collected, or marketed from Minnesota milk producers during the applicant's last completed fiscal year.

Subd. 3. **Term of license; transferability.** A milk marketing license issued by the commissioner expires on December 31 of each year, must be renewed annually, and is not transferable.

Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is:

(1) \$100 for an initial license; and

(2) \$250 annually for a license renewal.

(b) The fee must be paid to the commissioner before the commissioner issues an initial or renewal license. If a person has not applied for a milk marketing license renewal before January 1, a late fee of \$100 must be imposed. After January 1, 2026, any person who requires a milk marketing license and conducts activities subject to licensing within 365 days prior to obtaining a milk marketing license must pay a penalty of \$250 to receive the person's initial license.

Subd. 5. **License requirements.** An applicant for a milk marketing license must:

(1) complete monthly procurement payments under section 32D.11, if applicable;

(2) provide, upon request of the commissioner, a list of dairy producers from whom the applicant collects milk;

(3) provide dairy field service as described in section 32D.02, subdivision 6;

(4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;

(5) provide, upon the request of the commissioner, a financial statement to demonstrate that sufficient financial resources are available to satisfy payroll obligations for milk that is procured or collected from Minnesota dairy producers; and

(6) satisfy all contractual payments and agreements made with any Minnesota dairy producer that maintains a permit or certification as required under section 32D.05 or 32D.07. A person's failure to pay dairy producers in accordance with contracts may result in the revocation or suspension of the person's milk marketing license.

Subd. 6. **Permit requirement.** (a) A person conducting the following activities must hold a valid milk marketing permit:

(1) any activities subject to a milk marketing license; or

(2) if the person is a Minnesota milk producer, marketing milk on the producer's own behalf.

(b) An applicant must apply for a milk marketing permit on a form provided by the commissioner. A milk marketing permit must be issued to an applicant in conjunction with the initial license issued and must contain a milk marketing permit number. An applicant for a milk marketing permit must not be required to pay a fee to the commissioner when applying. A milk marketing permit is valid if the holder of the permit maintains a current milk marketing license or continues to market the permit holder's own milk, with no renewals required.

Sec. 18. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture licensed exhibitor of regulated animals to import live reindeer from another state if the reindeer are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification Program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 19. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before June 30, 2025, and must not begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMbtu of biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 20. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$20,000 and no more than \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 21. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual who:

(1) is a resident of Minnesota;

(2) is seeking entry, or has entered within the last ten years, into farming;

(3) intends to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) meets the following eligibility requirements as determined by the authority:

(i) has a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) provides the majority of the day-to-day physical labor and management of the farm;

(iii) has, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) demonstrates to the authority a profit potential by submitting projected earnings statements;

(v) asserts to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) is enrolled in or has completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) has other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

~~(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.~~

~~(e)~~ (d) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

~~(f)~~ (e) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

~~(g)~~ (f) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

(g) "Limited land access farmer" means a farmer experiencing limited land access as defined in section 17.133, subdivision 1.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural land; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a limited land access farmer, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than \$6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to emerging limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging limited land access farmers that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 24. Minnesota Statutes 2024, section 41B.0391, is amended by adding a subdivision to read:

Subd. 6a. **Report to legislature.** (a) No later than February 1 each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section.

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

(1) the number and amount of credits issued under each clause;

(2) the geographic distribution of credits issued under each clause;

(3) the type of agricultural assets for which credits were issued under clause (1);

(4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;

(5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

(6) data on the number of beginning farmers by geographic region, including:

(i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and

(ii) to the extent available, the number of beginning farmers who are limited land access farmers; and

(7) the number and amount of credit applications that exceeded the allocation available in each year.

(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

(3) a listing and description of each approved financial management program for which credits were issued; and

(4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

EFFECTIVE DATE. This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025.

Sec. 25. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal ~~or. Individual loans must be no less than \$20,000 and no more than \$625,000, whichever is less.~~ The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 26. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$500,000, whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 27. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$500,000, whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 28. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan ~~or. Individual loans must be no less than \$20,000 and no more than \$625,000, whichever is less.~~ The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 29. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was: (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;

(3) demonstrate an ability to repay the loan; ~~and~~

(4) have received at least 25 percent of annual gross income from farming in the past year; and

(5) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$10,000,000.

Sec. 30. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an agricultural microloan program to help finance the purchase of agricultural land or the production of specialty crops or eligible livestock. The authority may contract with an intermediary to provide an efficient delivery system for this program.

Sec. 31. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

- (1) add value to crops or livestock produced in Minnesota; or
- ~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~
- ~~(3) reduce or improve management of agricultural inputs resulting in environmental improvements; or~~
- ~~(4)~~ (2) increase production of on-farm energy.

Sec. 32. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$100,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rate on the loans must not exceed six percent. A borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years that is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 33. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the ~~fees for inspections under sections 223.15 to 223.22~~ examination fees at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, 2005, ~~shall be set according to the following schedule:~~ 2025, is \$500 for each licensed location.

~~(1) \$140 plus \$110 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;~~

~~(2) \$275 plus \$110 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;~~

~~(3) \$415 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;~~

~~(4) \$550 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and~~

~~(5) \$700 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.~~

(b) In addition to the license fee required under paragraph (a), a grain buyer must pay to the commissioner an annual examination fee for each licensed location, as follows:

~~Bushel Capacity~~	~~Examination Fee~~
~~Examinations without a grain measure~~	~~\$ 100~~
~~Less than 150,001~~	~~\$ 300~~
~~150,001 to 250,000~~	~~\$ 425~~
~~250,001 to 500,000~~	~~\$ 545~~
~~500,001 to 750,000~~	~~\$ 700~~
~~750,001 to 1,000,000~~	~~\$ 865~~
~~1,000,001 to 1,200,000~~	~~\$ 1,040~~
~~1,200,001 to 1,500,000~~	~~\$ 1,205~~
~~1,500,001 to 2,000,000~~	~~\$ 1,380~~
~~More than 2,000,000~~	~~\$ 1,555~~

(1) examination fees must be calculated based on bushel capacity of each licensed location with a charge of \$0.0035 per bushel of capacity;

(2) examination fees must not be less than \$350 and must not exceed \$4,000; and

(3) a licensed location with no grain bin capacity must be charged a \$200 examination fee.

(c) Examination fees for each licensed location must not increase more than 150 percent above the examination fee for the licensed location in the previous year.

~~(e)~~ (d) The fee for any supplemental examination required by the commissioner under section 223.23 is ~~\$55~~ \$110 per hour per examiner.

~~(d)~~ (e) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

~~(e)~~ (f) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

~~(f)~~ (g) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

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

Sec. 34. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24, except that fees must not increase more than 150 percent above the fees charged in the previous year. All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.24.

(b) All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account. Money in the account is appropriated to the commissioner for the administration and enforcement of chapter 231.

(c) The fees for a license to store grain are as follows:

(1) for a license to store grain, ~~\$110~~ \$300 for each home rule charter or statutory city or town in which a public grain warehouse is operated; and

~~(2) in addition to the license fee required under clause (1), a person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, as follows:~~

Bushel Capacity	Examination Fee
~~Less than 150,001~~	\$ 300
150,001 to 250,000	\$ 425
250,001 to 500,000	\$ 545
500,001 to 750,000	\$ 700
750,001 to 1,000,000	\$ 865
1,000,001 to 1,200,000	\$ 1,040
1,200,001 to 1,500,000	\$ 1,205
1,500,001 to 2,000,000	\$ 1,380
More than 2,000,000	\$ 1,555

~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section 232.24 is ~~\$55~~ \$110 per hour per examiner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

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

Sec. 35. LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.

(a) The commissioner of agriculture may award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity. When awarding grants, the commissioner of agriculture must give preference to applicants that:

(1) source 100 percent of food from Minnesota;

(2) source at least 70 percent of food from farmers who are experiencing limited land access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision 1; and

(3) demonstrate strong connections to individuals whose needs are not met through the traditional emergency food system.

(b) Eligible applicants include but are not limited to individuals, nonprofit organizations, for-profit businesses, Tribal governments, government entities, agricultural cooperatives, economic development organizations, and educational institutions.

(c) Grantees may use up to 15 percent of each grant awarded under this section for administrative and transportation expenses.

(d) By January 15 each year, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding:

(1) the amount awarded to each grantee;

(2) the amount of each grant award that has been disbursed to each grantee;

(3) a description of the purposes for which the grantee was issued a grant;

(4) an analysis of the grant recipients' success in meeting the purpose of the grant and any goals or measurable outcomes specified in the grant agreement;

(5) information about the amount and type of food distributed by the grantee; and

(6) the amount of the grant used by each grantee for administrative costs.

As a condition of receiving a grant, a grantee must agree to provide the commissioner any information necessary to complete the report required by this paragraph.

Sec. 36. CAT DECLAWING RECOMMENDATIONS.

By February 1, 2026, the Board of Veterinary Medicine shall consult with veterinarians and submit recommendations on the prohibition of cat declawing to the chairs and ranking minority members of the legislative committees with jurisdiction over companion animals and animal cruelty.

Sec. 37. MATERIALS ON HIGHLY PATHOGENIC AVIAN INFLUENZA.

By March 1, 2026, the Board of Animal Health shall prepare information and materials about highly pathogenic avian influenza and preventing its spread in companion animals.

Sec. 38. BIOFERTILIZER INNOVATION AND EFFICIENCY PILOT PROGRAM.

Subdivision 1. **Program established.** In consultation with the University of Minnesota, the commissioner of agriculture must develop and administer a biofertilizer water protection program to address water quality by incentivizing Minnesota farmers to improve nitrogen management and incorporate innovative technologies into the farmers' crop nutrient management plans. The

commissioner must determine which products qualify for the program, including soil amendments, fertilizers with nitrogen-fixing properties, biological sources of nitrogen, and other biofertilizers.

Subd. 2. **Payments to qualified farmers.** In consultation with farmers and the fertilizer industry, the commissioner of agriculture must establish a per-acre payment rate for payments provided to a qualifying farmer. The commissioner may provide an annual per-acre incentive payment to a qualifying farmer who verifies through documentation that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product in the farmer's crop nutrient management plans by the lesser of:

(1) 15 percent; or

(2) 30 pounds per acre.

Subd. 3. **Qualifications.** To qualify for the biofertilizer water preservation program, a farmer must:

(1) be a Minnesota resident operating farmland located in the counties of Becker, Benton, Carver, Cass, Crow Wing, Dakota, Dodge, Douglas, Fillmore, Goodhue, Houston, Hubbard, Kandiyohi, Lincoln, Morrison, Mower, Murray, Nicollet, Nobles, Olmsted, Otter Tail, Pipestone, Pope, Rock, Scott, Sherburne, Stearns, Swift, Todd, Wabasha, Wadena, or Winona;

(2) submit documentation to the commissioner of agriculture, including but not limited to a crop nutrient management plan or verifiable records that show reduction in the use of nitrogen at the reduction rate required under subdivision 2 by using a qualifying product determined by the commissioner of agriculture under subdivision 1; and

(3) enroll a minimum of 40 eligible acres.

Subd. 4. **Report required.** By January 1, 2028, the commissioner of agriculture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on the pilot program under this section. The report must include information about the grant awards, nitrogen application rates, technologies and products capable of reducing nitrogen application rates, and environmental outcomes.

Sec. 39. REPEALER.

(a) Minnesota Statutes 2024, section 239.77, subdivision 5, is repealed.

(b) Minnesota Statutes 2024, sections 35.68; and 35.830, are repealed.

Sec. 40. EFFECTIVE DATE.

Except as otherwise provided, this article is effective August 1, 2025.

ARTICLE 4

LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 17A.03, subdivision 8, is amended to read:

Subd. 8. **Livestock dealer agent.** "Livestock dealer agent" means any individual who is engaged by a livestock dealer to act as the dealer's representative.

Sec. 2. Minnesota Statutes 2024, section 17A.03, subdivision 10, is amended to read:

Subd. 10. **Meat packing plants companies, packers, and slaughtering houses.** "Meat packing plants companies," "packers," and "slaughtering houses" ~~means mean~~ places of business ~~where livestock purchased or acquired is slaughtered~~ that have the meaning given to "packers" as defined in section 31B.02, subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 17A.03, subdivision 11, is amended to read:

Subd. 11. **Buying station.** "Buying station" means any stockyard or concentration point, other than a public stockyard, at which livestock is bought and sold or assembled for shipment to a meat packing plant company or a public stockyard, or graded or weighed for the purpose of establishing a basis for sale or reshipment.

Sec. 4. Minnesota Statutes 2024, section 17A.03, is amended by adding a subdivision to read:

Subd. 16. **Meat packing company agent.** "Meat packing company agent" means an individual who is engaged by a meat packing company to act as the company's representative.

Sec. 5. Minnesota Statutes 2024, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions.** (a) Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued to a livestock market agency ~~and~~ or public stockyard shall be conspicuously posted at the licensee's place of business.

(b) Licenses shall be required for livestock dealers ~~and their agents,~~ livestock dealer agents, meat packing companies, and meat packing company agents for the period beginning July 1 each year and ending June 30. A license issued under this subdivision is renewable annually thereafter. The license issued to a livestock dealer ~~or the agent of a,~~ livestock dealer agent, meat packing company, or meat packing company agent shall be carried by the person ~~so~~ who is licensed. ~~The A~~ A livestock dealer ~~or meat packing company~~ shall be responsible for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard ~~or,~~ meat packing company, meat packing company agent, livestock dealer, or agent ~~of a~~ of a livestock dealer agent is not transferable. The operation of livestock market agencies, livestock dealers, agents, ~~and packers~~ meat packing companies at a public stockyard are exempt from sections 17A.01 to 17A.09 and 17A.12 to 17A.17.

Sec. 6. Minnesota Statutes 2024, section 17A.04, subdivision 2, is amended to read:

Subd. 2. **Application.** Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard, livestock dealer agent, meat packing company,

or meat packing company agent shall make application to the commissioner on a form or forms provided by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 17A.04, subdivision 4, is amended to read:

Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a valid and effective bond issued by a surety company licensed to do business in this state, or meeting the requirements of section 17A.05, in the form and amount set forth in section 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock dealer. The commissioner may at any time raise or lower bond requirements if it appears that a modification of such bond requirements is justified and will protect the public. The bonds of livestock market agencies and dealers whose residence or principal place of business is within the state of Minnesota shall name the commissioner as the trustee. ~~Any A license issued under Laws 1974, chapter 347~~ shall automatically become void upon the termination of the surety bond covering the licensed operations.

Sec. 8. Minnesota Statutes 2024, section 17A.04, subdivision 6, is amended to read:

Subd. 6. **Refusal to license.** The commissioner shall refuse to issue or renew a livestock market agency, meat packing company, or livestock dealer license if the applicant has not filed a surety bond in the form and amount required under this section and section 17A.05; the commissioner may refuse to issue or renew a license if the applicant: (1) has not satisfactorily demonstrated by a current balance sheet and financial statement that the applicant's assets exceed liabilities; (2) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions; (3) has failed to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; or (4) has failed to comply with other statutes, rules, or regulations enforced by the commissioner, the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration.

Sec. 9. Minnesota Statutes 2024, section 17A.04, subdivision 7, is amended to read:

Subd. 7. **Revocation of license.** Whenever the commissioner finds that any livestock market agency, meat packing company, or livestock dealer has violated the provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, the commissioner may, by order, pursuant to the provisions of chapter 14, and this subdivision, revoke the license of the offender. ~~Before any such license shall be revoked, the licensee shall be furnished with a statement of the complaints made against the licensee, and a hearing shall be had before the commissioner upon at least ten days' notice to the licensee to determine whether such license shall be revoked, which notice may be served either by certified mail addressed to the address of the licensee as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for hearing, the commissioner or any official, employee or agent of the department authorized by the commissioner, shall receive evidence, administer oaths, examine witnesses, hear the testimony and thereafter file an order either dismissing the proceedings or revoking the license.~~

Sec. 10. Minnesota Statutes 2024, section 17A.04, subdivision 8, is amended to read:

Subd. 8. **Suspension of license.** Whenever the commissioner finds that the licensee has violated provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, and that the continued activity of a licensee may cause irreparable injury or loss to persons engaged in business with the licensee, the commissioner may, without hearing, suspend the license of the licensee, provided that when a license is so suspended, the commissioner shall immediately initiate procedures to afford the licensee a hearing pursuant to subdivision 7 ~~except that the ten days' notice required in subdivision 7 may be waived by the licensee.~~

Sec. 11. Minnesota Statutes 2024, section 17A.06, subdivision 2, is amended to read:

Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall have the power to have the matter heard as a contested case pursuant to procedures outlined in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond.~~ The commissioner must first determine whether a claim is valid. If the commissioner determines that a claim is valid, the commissioner must notify the licensee of the determination and that the licensee has 15 days to either pay the claim or appeal the determination. If the licensee does not respond within 15 days, the determination must be considered a final order by the commissioner. If the commissioner determines that a claim is not valid, the commissioner must notify the claimant of the determination and that the claimant has 15 days to appeal the determination. If the claimant does not respond within 15 days, the determination must be considered a final order by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 17A.06, subdivision 3, is amended to read:

Subd. 3. **Public notice.** ~~Prior to a hearing~~ After the commissioner determines that a claim is valid, the commissioner shall publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within 45 days of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made in a newspaper published in the county in which the licensee's principal place of business is located. The commissioner shall also fulfill any notice requirements prescribed by chapter 14 and rules of the Office of Administrative Hearings. No claim shall be allowed unless it is filed with the commissioner within one year of the date of the transaction. If a livestock market agency, meat packing company, or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control.

Sec. 13. Minnesota Statutes 2024, section 17A.07, is amended to read:

17A.07 PROHIBITED CONDUCT.

It shall be unlawful for any person to: (1) carry on the business of a livestock market agency, livestock dealer, livestock dealer agent, meat packing company, meat packing company agent, or public stockyard without a valid and effective license issued by the commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock market agency, meat packing company, or livestock dealer without filing and maintaining a valid and effective surety bond in conformity

with sections 17A.04 and 17A.05; (3) carry on the business of a livestock market agency, meat packing company, or livestock dealer if the person cannot pay debts as they become due or ceases to pay debts in the ordinary course of business as they become due; (4) use or allow to be used any livestock scale or monorail scale which has not been certified and approved for official use or has been found to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true and correct weights or issue accounts and records on the basis of inaccurate or incorrect weights; (7) engage in or use any unfair or deceptive practice or device in connection with marketing of livestock; (8) willfully make or cause to be made any false entry or statement of fact in any application, financial statement or report filed with the department under this chapter.

Sec. 14. Minnesota Statutes 2024, section 17A.08, is amended to read:

17A.08 RECORD KEEPING.

Every person shall make and retain such accounts, records, and memoranda necessary to fully and correctly disclose all transactions involved in the person's business, including the true ownership of such business by stockholding or otherwise. Whenever the commissioner finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in the person's business, the commissioner may ~~prescribe~~ take enforcement actions in addition to prescribing the manner or form and length of time for retention which such accounts, records, and memoranda shall be kept. The commissioner shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person being investigated or proceeded against.

Sec. 15. Minnesota Statutes 2024, section 17A.15, is amended to read:

17A.15 POWERS AND DUTIES OF COMMISSIONER.

The commissioner shall enforce the provisions of ~~Laws 1974, chapter 347~~ this chapter and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable, and may cooperate with any department of state or government, to carry out the provisions of sections 17A.01 to 17A.15. The commissioner or a duly authorized agent shall have the power to issue subpoenas, administer oaths and affirmations, examine witnesses, receive evidence, and shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation or administrative proceeding.

Sec. 16. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

ARTICLE 5

FOOD HANDLER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of business described under paragraph (a); or (b); ~~(c) or (d)~~ in section 28A.05 within which category the greatest amount of the applicant's food business lies.

Sec. 2. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 12. **Risk category.** "Risk category" means a classification of the level of food safety risk associated with food handling, processing, preparation, and storage based upon an assessment by regulatory food safety professionals of the potential likelihood and severity of harm.

Sec. 3. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 13. **Gross sales or service.** "Gross sales or service" means a calculation in dollars of the total value of food sales or service at the location before taxes or deductions that includes the value of food items held for distribution to other places of business or donated.

Sec. 4. Minnesota Statutes 2024, section 28A.04, is amended to read:

28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT APPLICATIONS; RENEWALS.

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of \$50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

~~(b)~~ (c) A retail or wholesale food handler license shall be issued for the period July January 1 to June 30 following December 31 and shall be renewed thereafter by the licensee on or before July January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

~~(+)~~ (2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year; and

~~(2)~~ A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph (b) must be assessed in accordance with section 28A.08.

~~(e)~~ (e) A custom exempt food handler license shall be issued for the period July 1 to June 30 following and shall must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

~~(d) A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year, except that a license for a wholesale food processor or manufacturer operating only at the state fair shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.~~

~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In addition to the license requirements set forth in subdivision 1, every custom exempt processor or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry Grant of Inspection permit. Application for a permit shall be made on forms provided by the commissioner. The commissioner shall cause the ~~custom~~ processor's place of business to be inspected and if the commissioner finds that the applicant's place of business complies with state standards relating to meat processing plants, a ~~custom processing~~ permit under this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to \$500 may be charged for a custom processing permit under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

28A.05 CLASSIFICATION FOOD HANDLER CLASSES.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) ~~Retail~~ Food handlers are persons who:

(1) sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation;‡

~~(b) Wholesale food handlers are persons who (2) sell to others other business entities or establishments for resale, including a person who handles food in job lots (jobbers) is included in this classification; or~~

~~(c) Wholesale food processors or manufacturers are persons who (3) process or manufacture raw materials and other food ingredients into food items, or who reprocess food items, or who package food for sale to others other business entities or establishments for resale, or who commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to others other business entities or establishments for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.~~

~~(d) (b) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.~~

~~(e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.~~

Sec. 6. Minnesota Statutes 2024, section 28A.06, is amended to read:

28A.06 EXTENT OF LICENSE.

No person, except as described in section 27.03, shall be required to hold more than one license in order to engage in any aspect of food handling ~~described in section 28A.05 provided, except that:~~

(1) each issued license shall be valid for no more than one place of business; except that;

(2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid statewide and is required to be issued only once each year unless the licensee fails to display the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand as defined in section 157.15, in which case the duration of the license is restricted by the limitations found in the definitions in section 157.15; and

(3) the commissioner may authorize a food handler reporting \$50,000 or less gross annual food sales to conduct business activities under the food handler's license at up to two additional locations if:

(i) the food handler has reported each location and activity to the commissioner; and

(ii) the commissioner has approved each location and activity before the food handler conducts business activities at each location.

Sec. 7. Minnesota Statutes 2024, section 28A.07, is amended to read:

28A.07 ISSUANCE OF LICENSE.

Prior to the issuance or renewal of any license herein, the commissioner may cause appropriate inspections to be made to determine under applicable statutory and promulgated rule requirements, the applicant's risk category and fitness to engage in the mode(s) of business activities described in that person's license application. A valid and properly displayed license shall be sufficient to allow the licensee to engage in the manner of food handling so described in the licensee's application, provided that the commissioner may withhold authorization to engage in any aspects of business for which the applicant is not deemed fit under this section. A licensee may, at any time, apply to change such application which shall then be considered by the commissioner in the same manner as a new or renewal application hereunder.

Sec. 8. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

Subd. 3. **Food manufacturer, processor, or distributor handlers who manufacture, process, or distribute; licensing, preemption by state.** When a food ~~manufacturer, processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a), clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer, processor or distributor~~ handler is exempt from the licensing requirements of any municipal corporation or subdivision of state government, except for licensing requirements which may be imposed by the municipal corporation or subdivision of state government in which the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery equipment used by such a food ~~manufacturer, processor or distributor~~ handler is included within the meaning of this section, whether owned or operated, independently contracted, or contracted with a common carrier approved by the commissioner of agriculture. This delivery equipment is exempt from licensing by any municipal corporation or subdivision of state government except for those requirements which may be imposed by the municipal corporation or subdivision of state government in which the equipment is principally located. Delivery equipment approved by the commissioner of agriculture shall carry, at all times, a certificate of approval for the purposes for which the equipment is utilized. Nothing in this section is intended to permit the enactment of an ordinance regulating an activity where the state has preempted the field.

Sec. 9. Minnesota Statutes 2024, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

(b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Subd. 3. Fees effective ~~July 1, 2003~~ August 1, 2025.

Type of food handler	<u>Risk Category</u>	License Fee Effective July 1, 2003	Penalties	
			Late Renewal	No License
1. ~~Retail food handler or~~ Custom exempt food handler				
~~(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner~~		\$50	\$17	\$33
~~(b) (a) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 or less gross sales or service for the immediately previous license or fiscal year~~		\$77 \$135	\$25 \$45	\$51 \$90
~~(e) (b) Having \$50,001 to \$250,000~~ <u>\$125,000</u> gross sales or service for the immediately previous license or fiscal year		\$155 \$200	\$51 \$67	\$102 \$133
~~(d) (c) Having \$250,001 to \$1,000,000~~ <u>\$500,000</u> gross sales or service for the immediately previous license or fiscal year		\$276 \$370	\$91 \$123	\$182 \$247
~~(e) (d) Having \$1,000,001 to \$5,000,000~~ <u>\$1,000,000</u> gross sales or service for the immediately previous license or fiscal year		\$799 \$475	\$264 \$158	\$527 \$317
~~(f) (e) Having \$5,000,001 to \$10,000,000~~ <u>\$5,000,000</u> gross sales or service for the immediately previous license or fiscal year		\$1,162 \$1,350	\$383 \$450	\$767 \$900
<u>(f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year</u>		\$1,750	\$583	\$1,167
<u>(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year</u>		\$1,376 \$2,150	\$454 \$717	\$908 \$1,433
<u>(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year</u>		\$1,607 \$2,550	\$530 \$849	\$1,061 \$1,700
<u>(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year</u>		\$1,847 \$2,950	\$610 \$984	\$1,219 \$1,967

(j) Having over \$25,000,001 gross sales or service for the immediately previous license or fiscal year		~~\$2,001~~ <u>\$3,350</u>	~~\$660~~ <u>\$1,117</u>	~~\$1,321~~ <u>\$2,233</u>
2. ~~Wholesale~~ Food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than \$30,000 for the immediately previous license or fiscal year and filing a statement with the commissioner		<u>\$90</u>	<u>\$30</u>	<u>\$60</u>
		<u>\$57</u>	<u>\$19</u>	<u>\$38</u>
(~~a~~) (b) Having gross sales or service of less than ~~\$25,000~~ \$50,000 for the immediately previous license or fiscal year	High	<u>\$285</u>	<u>\$95</u>	<u>\$190</u>
	Medium	<u>\$195</u>	<u>\$65</u>	<u>\$130</u>
	Low	<u>\$135</u>	<u>\$45</u>	<u>\$90</u>
		<u>\$284</u>	<u>\$94</u>	<u>\$187</u>
(~~b~~) (c) Having ~~\$25,001~~ \$50,001 to ~~\$250,000~~ \$125,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$350</u>	<u>\$117</u>	<u>\$233</u>
	Medium	<u>\$260</u>	<u>\$87</u>	<u>\$173</u>
	Low	<u>\$200</u>	<u>\$67</u>	<u>\$133</u>
(~~e~~) (d) Having ~~\$250,001~~ \$125,001 to ~~\$1,000,000~~ \$250,000 gross sales or service ~~from a mobile unit without a separate food facility~~ for the immediately previous license or fiscal year	High	<u>\$444</u>	<u>\$147</u>	<u>\$293</u>
	Medium	<u>\$415</u>	<u>\$138</u>	<u>\$277</u>
	Low	<u>\$350</u>	<u>\$117</u>	<u>\$233</u>
		<u>\$265</u>	<u>\$88</u>	<u>\$177</u>
(~~d~~) (e) Having ~~\$250,001~~ \$500,001 to ~~\$1,000,000~~ \$500,000 gross sales or service ~~not covered under paragraph (c)~~ for the immediately previous license or fiscal year	High	<u>\$590</u>	<u>\$195</u>	<u>\$389</u>
	Medium	<u>\$520</u>	<u>\$173</u>	<u>\$347</u>
	Low	<u>\$430</u>	<u>\$143</u>	<u>\$287</u>
		<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
(~~e~~) (f) Having ~~\$1,000,001~~ \$500,001 to ~~\$5,000,000~~ \$1,000,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$769</u>	<u>\$254</u>	<u>\$508</u>
	Medium	<u>\$625</u>	<u>\$208</u>	<u>\$417</u>
	Low	<u>\$535</u>	<u>\$178</u>	<u>\$357</u>
		<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
(~~f~~) (g) Having ~~\$5,000,001~~ \$1,000,001 to ~~\$10,000,000~~ \$5,000,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$920</u>	<u>\$304</u>	<u>\$607</u>
	Medium	<u>\$1,500</u>	<u>\$500</u>	<u>\$1,000</u>
	Low	<u>\$1,425</u>	<u>\$475</u>	<u>\$950</u>
		<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
(h) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$1,900</u>	<u>\$633</u>	<u>\$1,267</u>
	Medium	<u>\$1,825</u>	<u>\$608</u>	<u>\$1,217</u>
	Low	<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
		<u>\$990</u>	<u>\$327</u>	<u>\$653</u>
(~~g~~) (i) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$2,300</u>	<u>\$767</u>	<u>\$1,533</u>
	Medium	<u>\$2,225</u>	<u>\$742</u>	<u>\$1,483</u>
	Low	<u>\$2,150</u>	<u>\$717</u>	<u>\$1,433</u>
		<u>\$1,156</u>	<u>\$381</u>	<u>\$763</u>
(~~h~~) (j) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	High	<u>\$2,700</u>	<u>\$900</u>	<u>\$1,800</u>
	Medium	<u>\$2,625</u>	<u>\$875</u>	<u>\$1,750</u>
	Low	<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>

		~~\$1,329~~	~~\$439~~	~~\$877~~
(k) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	High	\$3,100	\$1,033	\$2,067
	Medium	\$3,025	\$1,008	\$2,017
	Low	\$2,950	\$984	\$1,967
		~~\$1,502~~	~~\$496~~	~~\$991~~
(l) Having ~~over~~ \$25,000,001 ~~or more to~~ \$50,000,000 gross sales or service for the immediately previous license or fiscal year	High	\$3,500	\$1,167	\$2,333
	Medium	\$3,425	\$1,142	\$2,283
	Low	\$3,350	\$1,117	\$2,233
(m) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	High	\$4,000	\$1,334	\$2,667
	Medium	\$3,925	\$1,309	\$2,617
	Low	\$3,850	\$1,284	\$2,567
(n) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	High	\$4,500	\$1,500	\$3,000
	Medium	\$4,425	\$1,475	\$2,950
	Low	\$4,350	\$1,450	\$2,900
3. ~~Food broker~~ Food handler operating under authority of this chapter solely as a special event food stand as defined in Minnesota Statutes, section 157.15		~~\$150~~ <u>\$75</u>	~~\$50~~ <u>\$25</u>	~~\$99~~ <u>\$50</u>
4. ~~Wholesale food processor or manufacturer~~				
(a) ~~Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year~~		~~\$169~~	~~\$56~~	~~\$112~~
(b) ~~Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$392~~	~~\$129~~	~~\$259~~
(c) ~~Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$590~~	~~\$195~~	~~\$389~~
(d) ~~Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$769~~	~~\$254~~	~~\$508~~
(e) ~~Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$920~~	~~\$304~~	~~\$607~~
(f) ~~Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$1,377~~	~~\$454~~	~~\$909~~
(g) ~~Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$1,608~~	~~\$531~~	~~\$1,061~~
(h) ~~Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year~~		~~\$1,849~~	~~\$610~~	~~\$1,220~~

~~(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year~~	~~\$2,090~~	~~\$690~~	~~\$1,379~~
~~(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year~~	~~\$2,330~~	~~\$769~~	~~\$1,538~~
~~(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year~~	~~\$2,571~~	~~\$848~~	~~\$1,697~~
5. ~~Wholesale food processor of Meat or poultry products processing solely under supervision of the U.S. Department of Agriculture~~			
(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	~~\$112~~ <u>\$190</u>	~~\$37~~ <u>\$63</u>	~~\$74~~ <u>\$127</u>
(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	~~\$214~~ <u>\$365</u>	~~\$71~~ <u>\$122</u>	~~\$141~~ <u>\$243</u>
(c) Having \$250,001 to ~~\$1,000,000~~ <u>\$500,000</u> gross sales or service for the immediately previous license or fiscal year	~~\$333~~ <u>\$450</u>	~~\$110~~ <u>\$150</u>	~~\$220~~ <u>\$300</u>
(d) Having \$500,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	<u>\$565</u>	<u>\$188</u>	<u>\$377</u>
~~(e)~~ (e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$425~~ <u>\$725</u>	~~\$140~~ <u>\$241</u>	~~\$281~~ <u>\$483</u>
~~(f)~~ (f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$521~~ <u>\$885</u>	~~\$172~~ <u>\$295</u>	~~\$344~~ <u>\$590</u>
~~(g)~~ (g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$765~~ <u>\$1,305</u>	~~\$252~~ <u>\$435</u>	~~\$505~~ <u>\$807</u>
~~(h)~~ (h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$893~~ <u>\$1,515</u>	~~\$295~~ <u>\$505</u>	~~\$589~~ <u>\$1,010</u>
~~(i)~~ (i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$1,027~~ <u>\$1,745</u>	~~\$339~~ <u>\$582</u>	~~\$678~~ <u>\$1,163</u>
~~(j)~~ (j) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$1,161~~ <u>\$1,975</u>	~~\$383~~ <u>\$658</u>	~~\$766~~ <u>\$1,317</u>
~~(k)~~ (k) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	~~\$1,295~~ <u>\$2,215</u>	~~\$427~~ <u>\$738</u>	~~\$855~~ <u>\$1,477</u>

~~(k)~~ (l) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,428 <u>\$2,465</u>	\$471 <u>\$822</u>	\$942 <u>\$1,643</u>
6. ~~Wholesale food processor or manufacturer operating only at the State Fair~~	\$125	\$40	\$50
7. ~~Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese~~	\$30	\$10	\$15
8. ~~Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk~~	\$30	\$10	\$15
9. ~~A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer~~	\$50	\$15	\$25

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2024, section 28A.081, subdivision 1, is amended to read:

Subdivision 1. **Fee.** A fee of \$125 for each certificate shall be charged to any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner ~~shall~~ must receive payment with the request or bill the requesting person within seven days after issuing a certificate to the person. The requesting person must submit payment for a certificate at the time of receiving the request or within ten days of the billing date. If a certificate fee payment is not received within 15 days of the billing date, the commissioner may not issue any future certificates to the requesting person until previous fees due are paid in full. Fees paid under this section must be deposited in the food certificate account established under subdivision 2 or another account in the agricultural fund if the expenses for the certificate will be paid from that other account.

Sec. 11. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler or custom exempt food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D, 33, or 34, or rules adopted under one of those chapters; or

(2) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32D, or 34.

The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$150~~ \$250. The fee for a firm with gross food sales over \$1,000,000 is ~~\$200~~ \$300. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$300~~ \$500, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

28A.14 TRANSFER OF BUSINESS.

(a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of its operation by the licensee at the address covered by the license voids the license and the license certificate shall be surrendered to the commissioner immediately by anyone in possession of the same.

(b) If a licensee discontinues operating at an additional location authorized under section 28A.06, the license is not void if the licensee has provided written notification to the commissioner.

Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and demonstration must be obtained from sources that comply with Minnesota Food Law.

(b) Raw animal, raw poultry, and raw fish products must not be served as samples.

(c) Food product sampling or food product demonstrations, ~~including that contain~~ cooked animal, poultry, or fish products, must be prepared on site at the event.

(d) Animal or poultry products used for food product sampling or food product demonstrations must ~~be originate~~ originate from animals slaughtered under continuous inspection, either by the USDA or through Minnesota's "Equal-to" inspection program.

(e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons engaged in food product sampling or food product demonstrations.

Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the ~~individual~~ person preparing and selling the food, the

date on which the food was prepared, the ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."; and

(ii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) ~~an individual~~ a person who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the ~~individual~~ person who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) ~~An individual who qualifies~~ To qualify for an exemption under paragraph (a) ~~may organize the individual's cottage food business as a business entity recognized by state law, a person must be an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence.~~

(d) A person cannot qualify for an exemption under paragraph (a) if the person holds a food handler license required under section 28A.04.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** (a) ~~An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

(b) ~~If An exempt food product will~~ may be delivered to the ultimate consumer upon sale of the food product; by the individual person who prepared the food product ~~must be the person who delivers the food product to the ultimate consumer,~~ by mail, or by commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must be delivered directly to the ultimate consumer by the individual who prepared the food product.~~ The statement "These products are homemade and not subject to state inspection." must be displayed on the website that offers the exempt foods for purchase.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of \$78,000 or less in a calendar year.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is ~~\$50~~ \$30. ~~An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the \$5,000 gross receipts exemption.~~

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section and is required to pay the registration fee in subdivision 4 must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the ~~individual~~ person is registered under subdivision 4.

~~(b) An individual who sells exempt food under this section and is exempt from paying the registration fee in subdivision 4 must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 19. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Adjustments.** The commissioner must adjust the limitation on sales in subdivision 3 every two years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

EFFECTIVE DATE. This section is effective August 1, 2027.

Sec. 20. Minnesota Statutes 2024, section 28A.17, is amended to read:

28A.17 LICENSE RENEWAL.

Licenses for food ~~processors or manufacturers or food brokers~~ handlers shall be renewed annually on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for mobile food concessions and for retail mobile units shall be renewed annually on April 1 prior to the end of the licensing period. Approval of license renewal is contingent upon conditions described in section 28A.07 and payment of license fees identified in section 28A.08.

Sec. 21. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025."

Delete the title and insert:

"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 food handler licensing provisions; modifying the cottage foods licensing exemption; modifying and establishing fees; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivisions 1, 2; 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; 18.79, subdivision 3; 18B.26, subdivision 8; 18B.37, subdivision 6; 18C.111, by adding a subdivision; 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.16, subdivision 7; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, by adding a subdivision; 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; 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, chapter 32D; repealing Minnesota Statutes 2024, sections 35.68; 35.830; 239.77, subdivision 5."

We request the adoption of this report and repassage of the bill.

House Conferees: Paul Anderson, Rick Hansen, Bobbie Harder, Andy Smith, John Burkel, David Gottfried

Senate Conferees: Aric Putnam, Robert Kupec, Torrey Westrom

Senator Putnam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2446 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2446 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 8, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Champion, Fateh, Frentz, Hauschild, Mann, Marty, Mohamed, Murphy, Oumou Verbeten, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Draheim, and Housley.

Those who voted in the negative were:

Bahr	Howe	Lucero	Rasmusson
Drazkowski	Koran	Mathews	Wesenberg

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2432, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2432 is herewith transmitted to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 18, 2025

CONFERENCE COMMITTEE REPORT ON H. F. No. 2432

A bill for an act relating to state government; providing for judiciary, public safety, corrections, and government data practices policy; establishing Minnesota victims of crime account; modifying certain fees; establishing monetary assessments for certain corporate and individual offender convictions; transferring financial crimes and fraud investigations to the Financial Crimes and Fraud Section in the Bureau of Criminal Apprehension; clarifying Tribal Nation access and use of community services subsidy; amending real property judicial foreclosure law; providing for reports; transferring funds to the Minnesota victims of crime account; reducing certain appropriations; appropriating money for the supreme court, court of appeals, district courts, Board of Civil Legal Aid, State Guardian ad Litem Board, tax court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Competency Attainment Board, Cannabis Expungement Board, Secretary of State, Sentencing Guidelines Commission, public safety, Peace Officer Standards and Training (POST) Board, Private Detective Board, corrections, ombudsperson for corrections, Clemency Review Commission, children, youth, and families, and the Office of Higher Education; amending Minnesota Statutes 2024, sections 13.03, subdivision 3; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.82, subdivision 1; 13.991; 43A.17, subdivision 13; 45.0135, subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2; 60A.952, subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 142A.76, subdivision 8; 144E.123, subdivision 3; 152.137, subdivisions 1, 2; 171.187, subdivisions 1, 3; 244.18, subdivisions 1, 7, 9; 244.19, subdivisions 1c, 1d, 5, 5a; 244.20; 260C.419, subdivisions 2, 3, 4; 268.19, subdivision 1; 268B.30; 297I.11, subdivision 2; 299A.01, by adding a subdivision; 299C.40, subdivision 1; 299F.47, subdivision 2; 401.03; 401.10, subdivision 1, by adding a subdivision; 401.11, subdivision 1; 401.14; 401.15, subdivision 2; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 517.08, subdivisions 1b, 1c; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-420; 580.07, subdivisions 1, 2; 581.02; 595.02, by adding a subdivision; 609.2232; 609.322, subdivision 1; 609.531, subdivision 1; 609.78, subdivision 2c; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59, subdivisions 1, 4; 626.05, subdivision 2; 626.84, subdivision 1; 626.8516, subdivisions 4, 5, 6; 628.26; 629.344; Laws 2023, chapter 52, article 2, section 3, subdivision 3; article 11, section 31; proposing coding for new law in Minnesota Statutes, chapters 13; 241; 299A; 299C; 401; 480; 609; repealing Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, 5; 325E.21, subdivision 2b.

May 17, 2025

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2432 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2432 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

JUDICIARY APPROPRIATIONS

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.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. <u>SUPREME COURT</u>	<u>\$</u>	<u>54,597,000</u>	<u>\$ 50,597,000</u>
<u>(a) Contingent Account</u>			
<u>\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.</u>			
<u>(b) Justice Partner Access</u>			
<u>\$4,000,000 the first year is to improve justice partner access to documents and court information. This appropriation is available until June 30, 2029.</u>			
<u>(c) Base Adjustment</u>			
<u>The general fund base shall be \$50,821,000 beginning in fiscal year 2028.</u>			
Sec. 3. <u>BOARD OF CIVIL LEGAL AID</u>	<u>\$</u>	<u>35,353,000</u>	<u>\$ 35,353,000</u>
Sec. 4. <u>COURT OF APPEALS</u>	<u>\$</u>	<u>15,624,000</u>	<u>\$ 15,624,000</u>
<u>Base Adjustment</u>			

The general fund base shall be \$15,794,000 beginning in fiscal year 2028.

Sec. 5. <u>DISTRICT COURTS</u>	<u>\$</u>	<u>396,395,000</u>	<u>\$</u>	<u>396,396,000</u>

(a) Forensic Examiner Rate Increase

\$2,685,000 each year is to increase the hourly rate paid to forensic examiners.

(b) Base Adjustment

The general fund base shall be \$403,810,000 beginning in fiscal year 2028.

Sec. 6. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$</u>	<u>26,741,000</u>	<u>\$</u>	<u>26,759,000</u>

(a) Volunteer Guardians ad Litem

\$229,000 the first year and \$247,000 the second year are for supervising volunteer guardians ad litem.

(b) Base Adjustment

The general fund base shall be \$27,369,000 beginning in fiscal year 2028.

Sec. 7. <u>TAX COURT</u>	<u>\$</u>	<u>2,312,000</u>	<u>\$</u>	<u>2,353,000</u>

Sec. 8. <u>UNIFORM LAWS COMMISSION</u>	<u>\$</u>	<u>115,000</u>	<u>\$</u>	<u>115,000</u>

Sec. 9. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$</u>	<u>654,000</u>	<u>\$</u>	<u>654,000</u>

(a) Availability of Appropriation

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

(b) Major Disciplinary Actions

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain

available for these expenditures through June 30, 2027.

(c) Base Adjustment

The general fund base shall be \$660,000 beginning in fiscal year 2028.

Sec. 10. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$</u>	<u>167,622,000</u>	<u>\$</u>	<u>167,622,000</u>

Base Adjustment

The general fund base shall be \$169,829,000 beginning in fiscal year 2028.

Sec. 11. <u>HUMAN RIGHTS</u>	<u>\$</u>	<u>8,828,000</u>	<u>\$</u>	<u>8,987,000</u>

Sec. 12. <u>OFFICE OF APPELLATE COUNSEL AND TRAINING</u>	<u>\$</u>	<u>1,000,000</u>	<u>\$</u>	<u>1,361,000</u>

Sec. 13. <u>MINNESOTA COMPETENCY ATTAINMENT BOARD</u>	<u>\$</u>	<u>11,017,000</u>	<u>\$</u>	<u>11,137,000</u>

Sec. 14. <u>CANNABIS EXPUNGEMENT BOARD</u>	<u>\$</u>	<u>5,363,000</u>	<u>\$</u>	<u>5,378,000</u>

Sec. 15. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>18,000</u>	<u>\$</u>	<u>-0-</u>

\$18,000 the first year is to implement Minnesota Statutes, section 480.50, relating to judicial official data privacy for real property records.

Sec. 16. OFFICE OF APPELLATE COUNSEL AND TRAINING; REDUCTION.

The commissioner of management and budget shall reduce the appropriation to the Office of Appellate Counsel and Training for fiscal years 2024 and 2025 in Laws 2023, chapter 52, article 1, section 11, by \$2,000,000.

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

Sec. 17. MINNESOTA COMPETENCY ATTAINMENT BOARD; REDUCTION.

The commissioner of management and budget shall reduce the appropriation to the Minnesota Competency Attainment Board for fiscal years 2024 and 2025 in Laws 2023, chapter 52, article 1, as amended by Laws 2023, chapter 73, section 3, by \$9,000,000.

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

Sec. 18. **CANNABIS EXPUNGEMENT BOARD; REDUCTION.**

The commissioner of management and budget shall reduce the appropriation to the Cannabis Expungement Board for fiscal years 2024 and 2025 in Laws 2023, chapter 63, article 9, section 4, by \$6,700,000.

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

Sec. 19. **JUSTICE PARTNER ACCESS; FEE.**

The Minnesota Judicial Branch may charge a reasonable fee to private attorneys for improved access to documents and court information and retain any money collected. The fee may be imposed by rule or policy.

Sec. 20. Minnesota Statutes 2024, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$285~~ \$310, except in marriage dissolution actions the fee is ~~\$315~~ \$340.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$285~~ \$310, except in marriage dissolution actions the fee is ~~\$315~~ \$340. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay \$100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$14.

(3) Issuing a subpoena, \$16 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, ~~\$75~~ \$100.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$55.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$40.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$55.

(11) For the deposit of a will, \$27.

(12) For recording notary commission, \$20.

(13) Filing a motion or response to a motion for modification of child support, a fee of \$50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents. No fee may be charged to view or download a publicly available instrument from a civil or criminal proceeding or for an uncertified copy of that instrument.

ARTICLE 2

PUBLIC SAFETY APPROPRIATIONS AND RELATED FISCAL POLICIES

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.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. SENTENCING GUIDELINES	\$	1,092,000	\$ 1,112,000

Subdivision 1. Total Appropriation	\$	282,707,000	\$	270,624,000

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

Subd. 2. <u>Emergency Management</u>	5,629,000	6,491,000

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>5,499,000</u>	<u>6,358,000</u>
Environmental	130,000	133,000

\$125,000 each year is for supplemental nonprofit security grants. Except as otherwise provided in this paragraph, nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this subdivision. No additional application shall be required from applicants whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program are approved, and an application for a grant from the federal program is also an application for funding from the state supplemental program. If the Federal Emergency Management Agency

terminates the nonprofit security grant program, does not accept applications, or does not rank applicants, the commissioner of public safety must develop and implement an alternative application and ranking process. Eligible organizations may receive grants of up to \$75,000, except that the total received by any organization from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program or, if applicants for the federal nonprofit security grant program are not ranked, the commissioner must award grants in an order consistent with ranking established by the commissioner of public safety. If the Federal Emergency Management Agency issues grants under the federal nonprofit security grant program, no grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program. If the Federal Emergency Management Agency does not issue grants under the federal nonprofit security grant program, the commissioner must provide guidance to applicants regarding the time frame for issuance of grants. The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. This is a onetime appropriation.

(b) Base Adjustment

This program's annual general fund base shall be \$6,233,000 beginning in fiscal year 2028.

Subd. 3. Criminal Apprehension

112,905,000

114,044,000

Appropriations by Fund

General

110,254,000

111,393,000

<u>State Government</u>		
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>
<u>Trunk Highway</u>	<u>2,429,000</u>	<u>2,429,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>215,000</u>	<u>215,000</u>

(a) DWI Lab Analysis; Trunk Highway Fund

Notwithstanding Minnesota Statutes, sections 161.045, subdivision 3, and 161.20, subdivision 3, \$2,429,000 each year is from the trunk highway fund for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) Financial Crimes and Fraud Section

\$1,115,000 each year from the general fund and \$215,000 each year from the workers' compensation fund are for the Financial Crimes and Fraud Section in Minnesota Statutes, section 299C.061, and may not be used for any other purpose.

<u>Subd. 4. Fire Marshal</u>	<u>20,117,000</u>	<u>20,017,000</u>

<u>Appropriations by Fund</u>		
<u>General</u>	<u>4,190,000</u>	<u>4,190,000</u>
<u>Special Revenue</u>	<u>15,927,000</u>	<u>15,827,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The special revenue fund base appropriation for this account is \$15,935,000 in fiscal year 2028 and \$15,832,000 in fiscal year 2029.

(a) Hazardous Materials and Emergency Response Teams

\$2,170,000 the first year and \$2,070,000 the second year are from the fire safety account for hazardous materials and emergency response teams. The base for these purposes is \$2,170,000 in the first year of future

bienniums and \$2,070,000 in the second year of future bienniums.

(b) Bomb Squad Reimbursements

\$250,000 from the fire safety account and \$50,000 from the general fund each year are for reimbursements to local governments for bomb squad services.

(c) Nonresponsible Party Reimbursements

\$750,000 each year from the fire safety account is for nonresponsible party hazardous material, Urban Search and Rescue, Minnesota Air Rescue Team, and bomb squad incident reimbursements. Money appropriated for this purpose is available for one year.

(d) Hometown Heroes Assistance Program

\$4,000,000 each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

(e) Task Force 1

\$1,425,000 each year from the fire safety account is for the Minnesota Task Force 1.

(f) Task Force 2

\$300,000 each year from the fire safety account is for the Minnesota Task Force 2.

(g) Air Rescue

\$500,000 each year from the fire safety account is for the Minnesota Air Rescue Team.

(h) Fire Service Assessment

The state fire marshal shall conduct or contract with a third party to conduct a comprehensive assessment of how firefighting services are provided in

Minnesota and make recommendations for any proposed changes. At a minimum, the assessment must include:

(1) a macro-level review and analysis of incidents; incident types; response metrics; geographical distribution; life, safety, and property damage impacts; and trend projection analysis, benchmarked against national standards and best practices, including those of the National Fire Protection Association;

(2) an analysis of the number of fire departments and types of staffing in Minnesota compared to other states regionally and nationally, including staff response by time of day and day of the week;

(3) an analysis of the available data sets to determine what data is incomplete, inaccurate, or missing to make informed decisions in the future;

(4) an analysis of the effective response force of firefighters across the state, identifying any trends and patterns impacting the delivery of fire and life safety services;

(5) an analysis of the training, certification, and licensing of Minnesota firefighters, including initial and annual training, officers, inspectors, investigators, and specialty disciplines such as technical rescue and hazardous materials;

(6) an analysis of the recruitment and retention of fire department staff including volunteer, paid-on-call, part-time, contract, and full-time firefighters;

(7) a macro-level evaluation of fire department equipment, including personal protective equipment, apparatus equipment, communications equipment, and infrastructure, benchmarked against national standards and best practices, including those

of the National Fire Protection Association;
and

(8) a macro-level evaluation of the funding
for firefighting services in Minnesota and
how it compares to other states.

In conducting the assessment, the fire
marshal shall hold in-person and virtual
stakeholder listening sessions with the
Minnesota State Fire Chiefs Association, the
Minnesota State Fire Department
Association, the Minnesota Professional
Firefighters Association, the League of
Minnesota Cities, the Minnesota Association
of Townships, and other statewide and
regional associations identified by the
commissioner of public safety. In conducting
the assessment and making recommendations
for proposed changes, the fire marshal shall
consider the current diverse nature of the fire
service in Minnesota, including the various
staffing models employed and the
geographical makeup of the state.

The fire marshal may request onetime
funding to complete this assessment through
the Fire Service Advisory Committee.

By December 31, 2026, the fire marshal shall
report on the assessment conducted and any
recommendations for changes to the chairs
and ranking minority members of the
legislative committees with jurisdiction over
public safety and commerce.

Subd. 5. Firefighter Training and Education Board

5,500,000

5,500,000

The special revenue fund appropriation is
from the fire safety account in the special
revenue fund and is for activities under
Minnesota Statutes, section 299F.012.

(a) Firefighter Training and Education

\$5,500,000 each year from the fire safety
account is for firefighter training and
education.

(b) Unappropriated Revenue

Any additional unappropriated money collected in fiscal year 2025 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 6. Alcohol and Gambling Enforcement

4,056,000

4,067,000

Appropriations by Fund

<u>General</u>	<u>3,986,000</u>	<u>3,997,000</u>
<u>Special Revenue</u>	<u>70,000</u>	<u>70,000</u>

The special revenue fund appropriation is from the lawful gambling regulation account.

Subd. 7. Office of Justice Programs

51,903,000

51,908,000

Appropriations by Fund

<u>General</u>	<u>51,807,000</u>	<u>51,812,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) Legal Representation for Children

\$100,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. This is a onetime appropriation and is in addition to any other appropriations for the legal representation of children.

(b) Prosecutor Training

\$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. If any portion of this appropriation is used to fund trial school or training at the Minnesota

County Attorneys Association annual conference, the training must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

By February 15 of each year, the Minnesota County Attorneys Association must provide a report to the chairs, co-chairs, and ranking minority members of the legislative committees and divisions with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training.

Subd. 8. Emergency Communication Networks

82,597,000

68,597,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services unless otherwise indicated.

(a) Public Safety Answering Points

\$28,011,000 each year shall be distributed as provided under Minnesota Statutes, section 403.113, subdivision 2.

Each eligible entity receiving these funds must provide a detailed report on how the funds were used to the commissioner of public safety by August 1, 2027.

(b) ARMER State Backbone Operating Costs

\$10,384,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(c) Statewide Emergency Communications Board

\$1,000,000 each year is to the Statewide Emergency Communications Board. Funds may be used for operating costs, to provide competitive grants to local units of government to fund enhancements to a communication system, technology, or support activity that directly provides the ability to deliver the 911 call between the entry point to the 911 system and the first responder, and to further the strategic goals set forth by the SECB Statewide Communication Interoperability Plan.

(d) ARMER Critical Infrastructure

\$14,000,000 the first year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone. This appropriation is available until June 30, 2029.

Sec. 4. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD

\$ 11,691,000 \$ 11,739,000

(a) Peace Officer Training Reimbursements

\$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

(b) Philando Castile Memorial Training Fund

\$4,942,000 each year is to support and strengthen law enforcement training and implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund." These funds may only be used to reimburse costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8452 (use of force), 626.8469 (training in crisis response, conflict management, and cultural diversity), and 626.8474 (autism training).

Each sponsor of a training course is required to include the following in the sponsor's

application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications; and a plan for learning assessments of the course and documenting the assessments to the board during review. Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

Each year, if funds are available after reimbursing all eligible requests for courses approved by the board under this subdivision, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. The base for this activity is \$878,000 beginning in fiscal year 2028 and thereafter.

Sec. 5. **PRIVATE DETECTIVE BOARD**

\$

697,000 **\$**

706,000

Sec. 6. **CORRECTIONS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>843,542,000</u>	<u>\$</u>	<u>833,286,000</u>

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

Subd. 2. <u>Incarceration and Prerelease Services</u>	<u>583,505,000</u>	<u>570,247,000</u>

(a) Task Force on Mandatory Minimum Sentences

\$133,000 the first year is for the task force on mandatory minimum sentences.

(b) Prison Rape Elimination Act

\$500,000 each year is for Prison Rape Elimination Act (PREA) compliance.

(c) Incarceration and Prerelease Services Base Budget

The base for incarceration and prerelease services is \$568,750,000 in fiscal year 2028 and \$563,750,000 in fiscal year 2029.

Subd. 3. Community Supervision and Postrelease Services

	<u>201,155,000</u>	<u>203,587,000</u>

(a) Community Supervision Funding

\$143,378,000 each year is for community supervision services. This appropriation shall be distributed according to the community supervision formula in Minnesota Statutes, section 401.10.

(b) Tribal Nation Supervision

\$2,750,000 each year is for Tribal Nations to provide supervision or supportive services pursuant to Minnesota Statutes, section 401.10.

(c) Housing Initiatives

\$1,685,000 each year is for housing initiatives to support stable housing of

incarcerated individuals upon release. Of this amount:

(1) \$760,000 each year is for housing stabilization prerelease services and program evaluation;

(2) \$500,000 each year is for rental assistance for incarcerated individuals approaching release, on supervised release, or on probation who are at risk of homelessness;

(3) \$200,000 each year is for culturally responsive trauma-informed transitional housing; and

(4) \$225,000 each year is for housing coordination activities.

Subd. 4. Organizational, Regulatory, and Administrative Services

58,882,000

59,452,000

Public Safety Data Infrastructure

\$4,097,000 each year is for technology modernization and the development of an information-sharing and data-technology infrastructure. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

Sec. 7. <u>OMBUDSPERSON FOR CORRECTIONS</u>	<u>\$</u>	<u>1,118,000</u>	<u>\$</u>	<u>1,137,000</u>

Sec. 8. <u>CLEMENCY REVIEW COMMISSION</u>	<u>\$</u>	<u>995,000</u>	<u>\$</u>	<u>1,005,000</u>

Sec. 9. <u>OFFICE OF HIGHER EDUCATION</u>	<u>\$</u>	<u>250,000</u>	<u>\$</u>	<u>-0-</u>

Use of Force Training

\$250,000 the first year is to provide reimbursement grants to eligible postsecondary schools certified to provide programs of professional peace officer education for providing in-service training programs on the use of force, including deadly force, by peace officers. Of this amount, up to 2.5 percent is for

administration and monitoring of the program.

To be eligible for reimbursement, training offered by a postsecondary school must:

(1) satisfy the requirements of Minnesota Statutes, section 626.8452, and be approved by the Board of Peace Officer Standards and Training;

(2) utilize scenario-based training that simulates real-world situations and involves the use of real firearms that fire nonlethal ammunition;

(3) include a block of instruction on the physical and psychological effects of stress before, during, and after a high-risk or traumatic incident and the cumulative impact of stress on the health of officers;

(4) include blocks of instruction on de-escalation methods and tactics, bias motivation, unknown risk training, defensive tactics, and force-on-force training; and

(5) be offered to peace officers at no charge to the peace officer or law enforcement agency.

An eligible postsecondary school may apply for reimbursement for the costs of offering the training. Reimbursement shall be made at a rate of \$450 for each officer who completes the training. The postsecondary school must submit the name and peace officer license number of the peace officer who received the training to the Office of Higher Education.

As used in this section:

(1) "law enforcement agency" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (f); and

(2) "peace officer" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c).

Sec. 10. APPROPRIATION; MINNESOTA CORRECTIONAL FACILITY - STILLWATER STUDIES AND STRATEGIC PLANNING; REPORT.

(a) \$1,000,000 the first year is appropriated from the general fund to the commissioner of corrections to fund the costs associated with a management study and decommissioning study related to the closure of the Minnesota Correctional Facility - Stillwater. The decommissioning study must include considerations for a wide range of future uses of the site with a focus on the economic stability and development of the communities surrounding the facility. On or before September 30, 2026, the commissioner must submit a comprehensive report detailing the findings and recommendations from the studies to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy and capital investment.

(b) Upon completion of the studies and report under this section and after written notice to the commissioner of management and budget, the commissioner of corrections must use any money remaining in this appropriation for asset preservation improvements and betterments of a capital nature at the Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

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

Sec. 11. CANCELLATION.

\$1,000,000 of the appropriation in fiscal year 2024 for asset preservation under Laws 2023, chapter 71, article 1, section 13, subdivision 2, is canceled to the general fund by June 30, 2025.

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

Sec. 12. TRANSFER; MINNESOTA VICTIMS OF CRIME ACCOUNT.

\$7,232,000 the first year is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund under Minnesota Statutes, section 299A.708.

Sec. 13. DEPARTMENT OF PUBLIC SAFETY; GRANT CONTRACTS AND PROGRAMS ADMINISTRATIVE COSTS.

(a) Notwithstanding any law to the contrary, unless amounts are otherwise appropriated for administrative costs, the Department of Public Safety may retain up to five percent of the amount appropriated to the department for grants enacted by the legislature and single- or sole-source and formula grants and up to ten percent for competitively awarded grants to be used for staff and related operating costs for grant administration. This section applies to all new and existing grant programs administered by the department. This section does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

(b) The authority granted in this section expires on June 30, 2027.

Sec. 14. COMMERCE; REDUCTION.

The commissioner of management and budget must reduce general fund appropriations to the Department of Commerce by \$1,115,000 in fiscal years 2026 and 2027 and must reduce the workers' compensation fund appropriations to the Department of Commerce by \$215,000 in fiscal years 2026 and 2027 to account for the transfer of Commerce Fraud Bureau employees and responsibilities to the Bureau of Criminal Apprehension. These reductions are ongoing.

Sec. 15. Minnesota Statutes 2024, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner, powers and duties.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the Department of Corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. After July 1, 2023, the commissioner shall not allow inmates who have not been conditionally released from prison, whether on parole, supervised release, work release, or an early release program, to be housed in correctional facilities that are not owned and operated by the state, a local unit of government, or a group of local units of government. Inmates shall not exercise custodial functions or have authority over other inmates.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close ~~the Minnesota Correctional Facility-Stillwater or~~ the Minnesota Correctional Facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the Department of Corrections. This report shall be submitted to the governor commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

(j) To publish, administer, and award grant contracts with state agencies, local units of government, and other entities for correctional programs embodying rehabilitative concepts, for restorative programs for crime victims and the overall community, and for implementing legislative directives.

(k) If the commissioner is considering closing a facility, the commissioner must develop a written plan for the closure of the facility. The plan must minimize staff layoffs and maximize opportunities for staff of the facility designated for closure to transfer to vacant positions in other correctional facilities. The commissioner must engage staff and labor unions representing employees at the facility identified for closure and engage public officials from local units of government impacted by the proposed facility closure. The commissioner must: identify the potential adverse impacts of the closure on incarcerated individuals; minimize disruptions in conditions of confinement, rehabilitative programming, educational opportunities, mental health and medical care, family visitation, and case planning; and prioritize access to services that support rehabilitation and successful reentry across all state correctional facilities. The commissioner must deliver a copy of the plan to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over public safety policy and finance.

(l) Notwithstanding any other law to the contrary, the commissioner must not implement any initiative that grants early release from incarceration or reduces criminal sentences to implement the closure of the Minnesota Correctional Facility - Stillwater. This provision shall not affect the operation or continuation of early release programs established in statute prior to the effective date of this section.

Sec. 16. **[299A.708] MINNESOTA VICTIMS OF CRIME ACCOUNT.**

Subdivision 1. **Account established.** The Minnesota victims of crime account is established in the special revenue fund.

Subd. 2. **Source of funds.** The account consists of money deposited, donated, allotted, transferred, or otherwise provided to the account and any interest or earnings of the account.

Subd. 3. **Appropriation; account purpose; grants.** Money in the account, including interest accrued, is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to crime victim services providers. Grants must be used for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime and may provide: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Up to ten percent of the appropriation is available for grant administration.

Subd. 4. **Reporting; carryover.** (a) By January 15 of each year, the commissioner of public safety shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the account established in subdivision 1. The report must provide detailed information on the money deposited into the account and any money carried over from the previous year, including the amounts and sources of the money.

(b) Money in the account does not cancel but remains available for expenditures for grants identified in subdivision 3.

Subd. 5. **Annual transfer.** In fiscal year 2028, the commissioner of management and budget shall transfer \$878,000 from the general fund to the Minnesota victims of crime account. In fiscal year 2029 and each year thereafter, the commissioner of management and budget shall transfer \$879,000 from the general fund to the Minnesota victims of crime account.

Sec. 17. Minnesota Statutes 2024, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of ~~\$115~~ \$125 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is ~~\$40~~ \$50. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18,

or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

Sec. 18. Minnesota Statutes 2024, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **Disposition of license fee.** (a) Of the civil marriage license fee collected pursuant to subdivision 1b, paragraph (a), \$25 must be retained by the county. The local registrar must pay ~~\$90~~ \$100 to the commissioner of management and budget to be deposited as follows:

(1) \$55 in the general fund;

(2) \$3 in the state government special revenue fund to be appropriated to the commissioner of public safety for parenting time centers under section 119A.37;

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255;

(4) \$25 in the special revenue fund is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96; ~~and~~

(5) \$5 in the special revenue fund, which is appropriated to the Board of Regents of the University of Minnesota for the Minnesota couples on the brink project under section 137.32; and

(6) \$10 in the Minnesota victims of crime account in the special revenue fund under section 299A.708.

(b) Of the \$40 fee under subdivision 1b, paragraph (b), \$25 must be retained by the county. The local registrar must pay ~~\$15~~ \$25 to the commissioner of management and budget to be deposited as follows:

(1) \$5 as provided in paragraph (a), clauses (2) and (3); ~~and~~

(2) \$10 in the special revenue fund is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96; and

(3) \$10 in the Minnesota victims of crime account in the special revenue fund under section 299A.708.

Sec. 19. [609.1015] CORPORATE OFFENDERS; PENALTY ASSESSMENT REQUIRED.

(a) As used in this section, "corporation" means any entity, other than a natural person, that is capable under the laws of any state to sue, be sued, own property, contract, or employ another.

(b) When a court is sentencing a corporation that has been convicted of a crime, the court must impose an assessment of up to \$1,000,000 if the conviction is for a felony offense, up to \$250,000 if the conviction is for a gross misdemeanor offense, and up to \$100,000 if the conviction is for a misdemeanor offense. The assessment is in addition to any criminal fines, restitution, or surcharge otherwise authorized or required under law. The court shall impose an assessment of not less than 30 percent of the maximum assessment authorized by this section unless the defendant makes a showing of undue hardship. The court may not waive payment of the assessment.

(c) In setting the amount of the assessment, the court shall take the following into consideration:

- (1) the nature and seriousness of the offense;
- (2) the number of offenses committed;
- (3) the persistence of the criminal conduct;
- (4) the length of time over which the criminal conduct occurred;
- (5) the willfulness of the corporation's criminal conduct;
- (6) the corporation's assets, liabilities, and net worth; and
- (7) the particular harm to victims of the crime.

(d) Assessments collected under this section must be deposited into the Minnesota victims of crime account under section 299A.708.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to sentences announced on or after that date.

Sec. 20. **[609.1016] VICTIM SERVICES ASSESSMENT.**

(a) When a court is sentencing a person for an offense listed in paragraph (b), the court must impose a victim services assessment. If the violation is a misdemeanor, the assessment must be at least \$500 and not more than \$750. For any other violation, the assessment must be at least \$750 and not more than \$1,000.

(b) The victim services assessment applies to a conviction of the following offenses:

- (1) any crime of violence as defined in section 624.712, subdivision 5, other than a violation of chapter 152;
- (2) section 518B.01, subdivision 14 (violation of domestic abuse order for protection);
- (3) section 609.2242 (domestic assault);
- (4) section 609.324, subdivision 1, 1a, or 2 (patronizing or hiring an individual engaged in prostitution);
- (5) section 609.3458 (sexual extortion);

(6) section 609.748, subdivision 6 (violation of harassment restraining order);

(7) section 617.261 (nonconsensual dissemination of private sexual images); or

(8) section 629.75 (violation of domestic abuse no contact order).

(c) The court must waive payment of the assessment required under this subdivision on a showing of indigency and may waive or reduce payment of the assessment on a showing of undue hardship upon the convicted person or the convicted person's immediate family.

(d) Assessments collected under this section must be deposited into the Minnesota victims of crime account under section 299A.708.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to sentences announced on or after that date.

Sec. 21. [626.5536] LAW ENFORCEMENT REQUIRED TO REGISTER FOR ETRACE SYSTEM AND TRACE AND REPORT ON RECOVERED OR CONFISCATED FIREARMS.

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

(1) "recovered or confiscated" means any of the following:

(i) obtained from a crime scene or in connection with a criminal investigation;

(ii) seized by a law enforcement agency;

(iii) forfeited to a law enforcement agency;

(iv) acquired by a law enforcement agency as an abandoned or discarded firearm;

(v) obtained following the unlawful discharge of a firearm; or

(vi) otherwise obtained and reasonably believed to be connected to a crime; and

(2) "law enforcement agency" does not include the State Patrol or the Department of Natural Resources.

Subd. 2. **Reporting required.** (a) Each law enforcement agency shall register for the United States Bureau of Alcohol, Tobacco, Firearms and Explosives National Tracing Center's eTrace system, and opt-in to the system's collective data sharing feature.

(b) Whenever a firearm is recovered or confiscated by a law enforcement agency, the agency must, as soon as practicable, transmit information relating to the firearm to the eTrace system.

Sec. 22. Laws 2023, chapter 52, article 2, section 3, subdivision 2, is amended to read:

**Subd. 2. Public Safety
Administration**

1,000,000

2,250,000

2,000,000

(a) Public Safety Officer Survivor Benefits

\$1,000,000 in fiscal year 2023, \$1,000,000 in fiscal year 2024, and \$1,000,000 in fiscal year 2025 are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until June 30, 2027.

(b) Soft Body Armor Reimbursements

\$1,000,000 each year is for increases in the base appropriation for soft body armor reimbursements under Minnesota Statutes, section 299A.38. This is a onetime appropriation.

(c) Firearm Storage Grants

\$250,000 the first year is for grants to local or state law enforcement agencies to support the safe and secure storage of firearms owned by persons subject to extreme risk protection orders. The commissioner must apply for a grant from the Byrne State Crisis Intervention Program to supplement the funds appropriated by the legislature for implementation of Minnesota Statutes, sections 624.7171 to 624.7178 and 626.8481. Of the federal funds received, the commissioner must dedicate at least an amount that is equal to this appropriation to fund safe and secure firearms storage grants provided for under this paragraph.

Sec. 23. Laws 2023, chapter 52, article 2, section 3, subdivision 3, is amended to read:

Subd. 3. Emergency Management

7,330,000

4,417,000

Appropriations by Fund

General

7,211,000

4,290,000

Environmental

119,000

127,000

(a) Supplemental Nonprofit Security Grants

\$250,000 each year is for supplemental nonprofit security grants under this paragraph. This appropriation is onetime.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to \$75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program. This is a onetime appropriation.

(b) Emergency Preparedness Staff

\$550,000 each year is for additional emergency preparedness staff members.

(c) Lake Superior Chippewa Tribal Emergency Management Coordinator

\$145,000 each year is for a grant to the Grand Portage Band of Lake Superior Chippewa to establish and maintain a Tribal emergency

management coordinator under Minnesota Statutes, section 12.25.

**(d) Grand Portage Band of Lake Superior
Chippewa Tribe Coast Guard Services**

\$3,000,000 the first year is for a grant to the Grand Portage Band of Lake Superior Chippewa to purchase equipment and fund a position for coast guard services off the north shore of Lake Superior. This appropriation is available until June 30, 2027.

Sec. 24. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, and Laws 2024, chapter 123, article 1, section 11, and Laws 2024, chapter 123, article 9, section 3, is amended to read:

Subd. 8. Office of Justice Programs	94,758,000	80,434,000

	Appropriations by Fund	
General	94,662,000	80,338,000
State Government		
Special Revenue	96,000	96,000

(a) Domestic and Sexual Violence Housing

\$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this appropriation is \$1,000,000 beginning in fiscal year 2026.

(b) Federal Victims of Crime Funding Gap

\$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

(c) Office for Missing and Murdered Black Women and Girls

\$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

(d) Increased Staffing

\$667,000 the first year and \$1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

(e) Office of Restorative Practices

\$500,000 each year is to establish and maintain the Office of Restorative Practices.

(f) Crossover and Dual-Status Youth Model Grants

\$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model. This is a onetime appropriation.

(g) Restorative Practices Initiatives Grants

\$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6, and for a restitution grant program under Minnesota Statutes,

section 299A.955. This appropriation is available until June 30, 2026. The base for this appropriation is \$2,500,000 beginning in fiscal year 2026.

(h) Ramsey County Youth Treatment Homes Acquisition and Betterment

\$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court. This appropriation is available through June 30, ~~2026~~ 2027.

(i) Ramsey County Violence Prevention

\$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict or crisis de-escalation to prevent incarceration or further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

(j) Office for Missing and Murdered Indigenous Relatives

\$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

(k) Youth Intervention Programs

\$3,525,000 the first year and \$3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is \$3,526,000 in fiscal year 2026 and \$3,525,000 in fiscal year 2027.

(l) Community Crime Intervention and Prevention Grants

\$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

(m) Resources for Victims of Crime

\$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

(n) Prosecutor Training

\$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative

committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

(o) Minnesota Heals

\$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(p) Sexual Assault Exam Costs

\$3,967,000 the first year and \$3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is \$3,771,000 in fiscal year 2026 and \$3,776,000 in fiscal year 2027.

(q) First Responder Mental Health Curriculum

\$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(r) Pathways to Policing

\$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

(s) Direct Assistance to Crime Victim Survivors

\$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and

reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

(t) Racially Diverse Youth

\$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, \$125,000 each year is to address this issue in the Rochester area and \$125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

(u) Violence Prevention Project Research Center

\$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a

description of the data reviewed, an analysis of that data, and recommendations to improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

(v) Report on Approaches to Address Illicit Drug Use in Minnesota

\$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the

legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

(w) Legal Representation for Children

\$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

(x) Pretrial Release Study and Report

\$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

(y) Intensive Comprehensive Peace Officer Education and Training Program

\$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

(z) Youth Services Office

\$250,000 each year is to operate the Youth Services Office.

Sec. 25. Laws 2023, chapter 68, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. Administration and Related Services

(a) Office of Communications	896,000	1,148,000

This appropriation is from the general fund.

(b) Public Safety Support	9,976,000	11,773,000

Appropriations by Fund

	2024	2025
General	5,049,000	6,564,000
Trunk Highway	4,927,000	5,209,000

\$1,482,000 in each year is from the general fund for staff and operating costs related to public engagement activities.

(c) Public Safety Officer Survivor Benefits	640,000	640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation is available until June 30, 2027.

(d) Public Safety Officer Reimbursements	1,367,000	1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements	745,000	745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Services	6,712,000	6,783,000

Appropriations by Fund

	2024	2025
General	1,645,000	1,684,000
Trunk Highway	5,067,000	5,099,000

Sec. 26. **TASK FORCE ON MANDATORY MINIMUM SENTENCES.**

Subdivision 1. **Definition.** As used in this section, "mandatory minimum" means legislatively defined, predetermined sentencing requirements, including but not limited to sentencing requirements under Minnesota Statutes, sections 152.021, 152.022, and 609.11, that mandate a minimum period of commitment to the commissioner of corrections upon conviction for certain offenses.

Subd. 2. **Establishment.** The Task Force on Mandatory Minimum Sentences is established to collect and analyze data on the charging, convicting, and sentencing of persons to mandatory minimum sentences; assess whether current laws and practices promote public safety and equity in sentencing; and make recommendations to the legislature.

Subd. 3. **Membership.** (a) The task force consists of the following members:

- (1) the commissioner of corrections, or a designee;
 - (2) the executive director of the Minnesota Sentencing Guidelines Commission, or a designee;
 - (3) the state public defender, or a designee;
 - (4) the statewide coordinator of the Violent Crime Coordinating Council, or a designee;
 - (5) one defense attorney, appointed by the Minnesota Association of Criminal Defense Lawyers;
 - (6) two county attorneys, one from Hennepin or Ramsey County and one from outside the seven-county metropolitan area, appointed by the Minnesota County Attorneys Association;
 - (7) a peace officer familiar with shooting investigations, appointed by the Minnesota Sheriffs' Association;
 - (8) a peace officer familiar with shooting investigations, appointed by the Minnesota Chiefs of Police Association;
 - (9) one member representing a victims' rights organization, appointed by the senate majority leader;
 - (10) one member of a statewide civil rights organization, appointed by the speaker of the house of representatives;
 - (11) one retired district court judge, appointed by the chief justice;
 - (12) one impacted person who is directly related to a person who has been convicted of a mandatory minimum sentence or who has themselves been convicted of a mandatory minimum sentence and has completed the sentence, appointed by the governor; and
 - (13) one person with academic expertise regarding the laws and practices of other states relating to mandatory minimum sentences, appointed by the governor.
- (b) Appointments must be made no later than July 30, 2025.
- (c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 4. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of corrections shall convene the first meeting of the task force no later than August 1, 2025, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To compile and analyze data, the task force shall request the cooperation and assistance of local law enforcement agencies, the Minnesota Sentencing Guidelines Commission, the judicial branch, the Bureau of Criminal Apprehension, county attorneys, and Tribal governments and may request the cooperation of academics and others with experience and expertise in researching the impact of mandatory minimum sentences.

Subd. 5. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze data on charges, convictions, and sentences that involve mandatory minimum sentences;

(2) collect and analyze data on mandatory minimum sentences in which a person received a mitigated durational departure because the mandatory minimum sentence was seen as inappropriate by a judge or county attorney, or both;

(3) collect and analyze data on mandatory minimum sentences in which a person likely would have received a mitigated durational departure but for the enforcement of a mandatory minimum sentence;

(4) collect and analyze data on charges, convictions, and sentences for codefendants of persons sentenced to a mandatory minimum sentence;

(5) review relevant state statutes and state and federal court decisions;

(6) receive input from persons who were convicted of a crime with a mandatory minimum sentence;

(7) receive input from family members of persons who were convicted of a crime with a mandatory minimum sentence;

(8) receive input from persons who were victims of crimes with a mandatory minimum sentence;

(9) receive input from family members of persons who were victims of crimes with a mandatory minimum sentence;

(10) analyze the benefits and unintended consequences of state statutes and practices related to the charging, convicting, and sentencing of persons of crimes with mandatory minimum sentences, including but not limited to an analysis of whether current statutes and practices:

(i) promote public safety; and

(ii) properly punish a person for that person's role in an offense; and

(11) make recommendations for legislative action, if any, on laws affecting:

(i) the collection and reporting of data; and

(ii) the charging, convicting, and sentencing of persons for crimes with mandatory minimum sentences.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 6. **Report.** On or before August 15, 2026, the task force shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal sentencing on the findings and recommendations of the task force.

Subd. 7. **Expiration.** The task force expires the day after submitting the report under subdivision 6.

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

ARTICLE 3

FINANCIAL CRIMES AND FRAUD INVESTIGATIONS

Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, ~~the Department of Commerce,~~ and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

Sec. 2. Minnesota Statutes 2024, section 43A.17, subdivision 13, is amended to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, including Financial Crimes and Fraud Section agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; and Department of Corrections Fugitive Apprehension Unit members; ~~and Commerce Fraud Bureau agents in the Department of Commerce.~~

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

Sec. 3. Minnesota Statutes 2024, section 45.0135, subdivision 2b, is amended to read:

Subd. 2b. **Duties.** The commissioner of commerce ~~Fraud Bureau shall~~ may:

(1) review notices and reports ~~within the Commerce Fraud Bureau's primary jurisdiction~~ submitted by authorized insurers, their employees, and agents or producers regarding insurance fraud, as defined in section 60A.951, subdivision 4;

~~(2) respond to notifications or complaints within the Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies, state or federal governmental units, or any other person;~~

~~(3)~~ (2) initiate inquiries and conduct investigations under section 45.027 when the bureau commissioner has reason to believe that an offense within the Commerce Fraud Bureau's primary jurisdiction insurance fraud, as defined in section 60A.951, subdivision 4, has been or is being committed; and

~~(4) report crimes disclosed by the Commerce Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not limited to, the attorney general, county attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist any law enforcement authority having jurisdiction.~~

(3) share active investigative data pursuant to section 13.39 concerning insurance fraud with the commissioner of public safety and the Bureau of Criminal Apprehension.

Sec. 4. Minnesota Statutes 2024, section 45.0135, is amended by adding a subdivision to read:

Subd. 2g. **Criminal insurance fraud investigations.** (a) The Bureau of Criminal Apprehension shall conduct investigations of criminal insurance fraud, as defined in section 609.611, in accordance with section 299C.061.

(b) The commissioner shall report criminal insurance fraud-related crimes disclosed by the Department of Commerce's investigations of civil insurance fraud to the Bureau of Criminal Apprehension.

Sec. 5. Minnesota Statutes 2024, section 45.0135, subdivision 6, is amended to read:

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under ~~subdivision 7~~ section 299C.061, subdivision 10, and transferred from the automobile theft prevention account in sections 65B.84, subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund is appropriated to the commissioner of ~~commerce~~ public safety for the purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 6. Minnesota Statutes 2024, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner of public safety for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. The commissioner of public safety shall consult with the commissioner of commerce for purposes of calculating the assessment amount. Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
Less than \$100,000,000	\$ 400
\$100,000,000 to \$1,000,000,000	\$ 1,500
Over \$1,000,000,000	\$ 4,000
Minnesota Written Premium	Assessment
Less than \$10,000,000	\$ 400
\$10,000,000 to \$100,000,000	\$ 1,500
Over \$100,000,000	\$ 4,000

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

Sec. 7. Minnesota Statutes 2024, section 45.0135, subdivision 8, is amended to read:

Subd. 8. **Investigations; health-related boards.** (a) ~~The Commerce Fraud Bureau~~ Bureau of Criminal Apprehension may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected of insurance fraud.

(b) The bureau shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

Sec. 8. Minnesota Statutes 2024, section 45.0135, subdivision 9, is amended to read:

Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

(1) impose an administrative penalty against any person in an amount as set forth in paragraph (b) for each intentional act of insurance fraud or substantiated acts of attempted insurance fraud, as defined in section 60A.951, subdivision 4, committed by that person;

(2) order restitution to any person suffering loss as a result of the insurance fraud; and

(3) order restitution to a company for the reasonable documented cost of any investigation in connection with the insurance fraud.

(b) The administrative penalty for each violation described in paragraph (a) may be no more than:

(1) \$20,000 if the funds or the value of the property or services wrongfully obtained exceeds \$5,000;

(2) \$10,000 if the funds or value of the property or services wrongfully obtained exceeds \$1,000, but not more than \$5,000;

(3) \$3,000 if the funds or value of the property or services wrongfully obtained is more than \$500, but not more than \$1,000; and

(4) \$1,000 if the funds or value of the property or services wrongfully obtained is \$500 or less.

(c) If an administrative penalty is not paid after all rights of appeal have been waived or exhausted, the commissioner may bring a civil action in a court of competent jurisdiction to collect the administrative penalty, including expenses and litigation costs, reasonable attorney fees, and interest.

(d) This section does not affect a person's right to seek recovery, including expenses and litigation costs, reasonable attorney fees, and interest, against any person that commits insurance fraud.

(e) For purposes of this subdivision, "insurance fraud" has the meaning given in section 60A.951, subdivision 4.

(f) Hearings under this subdivision must be conducted in accordance with chapter 14 and any other applicable law.

(g) All revenues from penalties, expenses, costs, fees, and interest collected under paragraphs (a) to (c) shall be deposited ~~in~~ into the insurance fraud prevention account under ~~subdivision 6~~ section 299C.061, subdivision 9.

Sec. 9. Minnesota Statutes 2024, section 60A.951, subdivision 2, is amended to read:

Subd. 2. **Authorized person.** "Authorized person" means the county attorney, sheriff, or chief of police responsible for investigations in the county where the suspected insurance fraud occurred; the superintendent of the Bureau of Criminal Apprehension; the commissioner of commerce; ~~the Commerce Fraud Bureau~~; the commissioner of labor and industry; the attorney general; or any duly constituted criminal investigative department or agency of the United States.

Sec. 10. Minnesota Statutes 2024, section 60A.952, subdivision 2, is amended to read:

Subd. 2. **Notice to and cooperation with the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension.** Any insurer or insurance professional that has reasonable belief that an act of insurance fraud will be, is being, or has been committed, shall furnish and disclose all relevant information to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension or to any authorized person and cooperate fully with any investigation conducted by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension. Any person that has a reasonable belief that an act of insurance fraud will be, is being, or has been committed, or any person who collects, reviews, or analyzes information concerning insurance fraud, may furnish and disclose any information in its possession concerning the act to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, any authorized person, or to an authorized representative of an insurer that requests the information for the purpose of

detecting, prosecuting, or preventing insurance fraud. The insurer may also release relevant information to any person authorized to receive the information under section 72A.502, subdivision 2. If disclosure is made to an authorized person other than the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, a copy of the disclosure must be sent to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension.

Sec. 11. Minnesota Statutes 2024, section 60A.952, subdivision 4, is amended to read:

Subd. 4. **Tolling of time periods.** If an insurer has a reasonable or probable cause to believe that an insurance fraud has been committed in connection with an insurance claim, and has properly notified the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension of its suspicions according to subdivision 2, the notification tolls any applicable time period in any unfair claims practices statute or related regulations, or any action on the claim against the insurer to whom the claim had been presented for bad faith, until 30 days after determination by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension and notice to the insurer that the ~~division~~ Bureau of Criminal Apprehension will not recommend action on the claim.

Sec. 12. Minnesota Statutes 2024, section 60A.952, subdivision 5, is amended to read:

Subd. 5. **Reward for information.** The ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, in cooperation with authorized insurers and insurance professionals, may establish a voluntary fund to reward persons not connected with the insurance industry who provide information or furnish evidence leading to the arrest and conviction of persons responsible for insurance fraud.

Sec. 13. Minnesota Statutes 2024, section 60A.954, subdivision 2, is amended to read:

Subd. 2. **Review.** The commissioner may review each insurer's antifraud plan to determine whether it complies with the requirements of this section. If the commissioner finds that an insurer's antifraud plan does not comply with the requirements of this section, the commissioner shall disapprove the plan and send a notice of disapproval, along with the reasons for disapproval, to the insurer. An insurer whose antifraud plan has been disapproved by the commissioner shall submit a new plan to the commissioner within 60 days after the plan was disapproved. The commissioner may examine an insurer's procedures to determine whether the insurer is complying with its antifraud plan. The commissioner shall withhold from public inspection any part of an insurer's antifraud plan for so long as the commissioner deems the withholding to be in the public interest. The commissioner may share an insurer's complete antifraud plan with the Bureau of Criminal Apprehension.

Sec. 14. Minnesota Statutes 2024, section 60A.956, is amended to read:

60A.956 OTHER LAW ENFORCEMENT AUTHORITY.

Nothing in sections 60A.951 to 60A.956 preempts the authority of or relieves the duty of any other law enforcement agencies to investigate and prosecute alleged violations of law, prevents or prohibits a person from voluntarily disclosing any information concerning insurance fraud to any law enforcement agency other than the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, or limits any of the powers granted elsewhere by the laws of this state to the commissioner of commerce to investigate alleged violations of law and to take appropriate action.

Sec. 15. Minnesota Statutes 2024, section 65B.84, is amended to read:

65B.84 AUTOMOBILE THEFT PREVENTION PROGRAM.

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of ~~commerce~~ public safety shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of ~~public safety~~ commerce, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the insurance fraud prevention account described in section 297I.11, subdivision 2.

(c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9.

(d) The commissioner must establish a library of equipment to combat automobile-related theft offenses. The equipment must be available to all law enforcement agencies upon request to support law enforcement agency efforts to combat automobile theft.

Subd. 2. **Annual report.** By September 30 each year, the commissioner of public safety shall report to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over the ~~Departments~~ Department of Commerce and Public Safety on the activities and expenditures in the preceding year.

Subd. 3. **Grant criteria; application.** (a) A county attorney's office, law enforcement agency, neighborhood organization, community organization, or business organization may apply for a grant under this section. Multiple offices or agencies within a county may apply for a grant under this section.

(b) The commissioner of public safety, in consultation with the commissioner of ~~public safety~~ commerce, must develop criteria for the fair distribution of grants from the automobile theft prevention account that address the following factors:

(1) the number of reported automobile thefts per capita in a city, county, or region, not merely the total number of automobile thefts;

(2) the population of the jurisdiction of the applicant office or agency;

(3) the total funds distributed within a county or region; and

(4) the statewide interest in automobile theft reduction.

(c) The commissioner may give priority to:

(1) offices and agencies engaged in a collaborative effort to reduce automobile theft; and

(2) counties or regions with the greatest rates of automobile theft.

(d) The minimum amount of a grant award is \$5,000. After considering the automobile theft rate and total population of an applicant's jurisdiction, if a grant award, as determined under the criteria and priorities in this subdivision, would be less than \$5,000, it must not be awarded.

Subd. 4. **Advisory board; creation; membership.** An Automobile Theft Prevention Advisory Board is established to advise the commissioner on the distribution of grants under this section. The board must consist of seven members appointed by the commissioner of public safety and must include representatives of law enforcement, prosecuting agencies, automobile insurers, and the public. The commissioner must annually select a chair from among its members.

Subd. 5. **Definition.** For purposes of this section, "automobile theft" includes automobile-related theft.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~ the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; and

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 17. Minnesota Statutes 2024, section 268B.30, is amended to read:

268B.30 DATA PRIVACY.

(a) Except as provided by this section, data collected, created, or maintained under this chapter are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order.

(b) Data classified under paragraph (a) may be disseminated to and used by the following without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) the unemployment insurance division, to the extent necessary to administer the programs established under this chapter and chapter 268;
- (3) employers, to the extent necessary to support adjudication of application requests and to support the employer's administration of a leave of absence;
- (4) health care providers, to the extent necessary to support verification of health care conditions and qualifying events;
- (5) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;
- (6) human rights agencies within Minnesota that have enforcement powers;
- (7) the Department of Revenue, to the extent necessary for its duties under Minnesota laws;
- (8) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (9) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;
- (10) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;
- (11) the Department of Public Safety for support in identity verification;
- (12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;
- (13) the Department of Health for the purposes of epidemiologic investigations;

(14) the Department of Corrections for the purposes of tracking incarceration of applicants; and

(15) contracted third parties, to the extent necessary to aid in identity verification, adjudication, administration, and evaluation of the program.

(c) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(d) Data gathered by the department in the administration of this chapter must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 18. Minnesota Statutes 2024, section 297I.11, subdivision 2, is amended to read:

Subd. 2. **Automobile theft prevention account.** A special revenue account in the state treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

Sec. 19. **[299C.061] FINANCIAL CRIMES AND FRAUD SECTION.**

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

(b) "Fraud involving state funded or administered programs or services" includes any violation of section 609.445, 609.465, 609.466, 609.52, 609.5523, 609.611, 609.651, 609.7475, or 609.821 involving a state agency or state-funded or administered program or service.

(c) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(d) "Section" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

(e) "State agency" has the meaning given in section 13.02, subdivision 17.

(f) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

Subd. 2. **Financial Crimes and Fraud Section.** The superintendent shall operate the Financial Crimes and Fraud Section within the Bureau of Criminal Apprehension to conduct investigations into insurance fraud, financial crimes, wage theft, and fraud involving state-funded or administered programs or services. The Section shall be partially or fully comprised of licensed peace officers. Members of this Section have the full authorities specified in chapter 299C and are not limited to the duties enumerated in this statutory section.

Subd. 3. **Duties.** The Financial Crimes and Fraud Section shall:

(1) review notices and reports of insurance fraud and related crimes submitted by authorized insurers, their employees, and agents or producers pursuant to sections 60A.951 to 60A.956;

(2) initiate inquiries and conduct investigations when the Section has reason to believe that any of the following offenses have been or are being committed:

(i) fraud involving state-funded or administered programs or services in subdivision 1, paragraph (b);

(ii) insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities;

(iii) wage theft and related crimes; and

(iv) any other financial crimes; and

(3) operate the automobile theft prevention program under section 65B.84.

Subd. 4. **Mandatory referral; duty to investigate.** (a) Except as provided in paragraphs (b) and (d), a state agency shall refer all suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), equaling \$100,000 or more to the Section for evaluation and investigation or appropriate referral. Upon receipt of the referral, the Section shall review and, where appropriate, conduct criminal investigations into the allegations. The Section has sole discretion as to which allegations are investigated further, referred back to the reporting agency for appropriate regulatory investigation, or referred to another law enforcement agency with appropriate jurisdiction.

(b) When acting in a civil or criminal law enforcement capacity and permitted by applicable law or order, the attorney general may, in the attorney general's discretion, refer suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), to the Section for evaluation and investigation or appropriate referral in accordance with paragraph (a).

(c) Notwithstanding paragraph (b), this section has no effect on the authority of the attorney general to investigate and enforce violations or suspected violations of Minnesota civil or criminal law.

(d) Referral to the Section under this subdivision is not required when a state agency is required to refer the fraudulent activity to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10.

Subd. 5. **Discretionary referral.** A state agency may refer suspected fraud involving state-funded or administered programs or services equaling less than \$100,000 to the Section for investigation. Upon referral, the Section shall:

(1) accept the referral and, where appropriate, conduct criminal investigations into the allegations and make appropriate referrals for criminal prosecution; or

(2) redirect the referral to another appropriate law enforcement agency or civil investigative authority, offering assistance where appropriate.

Subd. 6. **Data sharing authorized.** Notwithstanding chapter 13 or any other statute related to the classification of government data to the contrary, state agencies making a referral under subdivision 4 or 5 shall provide data related to the suspected fraudulent activity to the Section, including data classified as not public. The Section may share active criminal investigative data concerning insurance fraud with the Department of Commerce.

Subd. 7. **State agency reporting.** By January 15 of each year, each state agency must report all suspected fraud incurred by the agency that involves state-funded or administered programs or services equaling \$10,000 or more to the Section to be summarized in the report under subdivision 8. This subdivision does not apply to information obtained by the attorney general when acting in a civil or criminal law enforcement capacity.

Subd. 8. **Annual report.** (a) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance, and commerce consumer protection policy and finance, the following information pertaining to the Section since the previous report:

(1) the number of investigations initiated;

(2) the number of allegations investigated;

(3) the outcomes or current status of each investigation;

(4) the charging decisions made by the prosecuting authority of incidents investigated by the Section;

(5) the number of plea agreements reached in incidents investigated by the Section;

(6) the number of reports received under subdivision 7;

(7) the number of state agency referrals to the state Medicaid Fraud Control Unit reported to the superintendent under paragraph (b); and

(8) any other information relevant to the Section's responsibilities.

(b) No later than January 15 of each odd-numbered year, each state agency that is required to make referrals to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10, shall report the following information to the superintendent for the two previous calendar years:

(1) the number of cases referred to the state Medicaid Fraud Control Unit;

(2) the number of referrals accepted by the state Medicaid Fraud Control Unit; and

(3) the number of referrals declined by the state Medicaid Fraud Control Unit.

Subd. 9. **Funding allocation.** One hundred percent of the funding allocated to the Bureau of Criminal Apprehension for the assessment in subdivision 10 may only be used for the investigation

of insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities.

EFFECTIVE DATE. (a) Subdivisions 1, 2, 3, 6, and 9 are effective July 1, 2025.

(b) Subdivisions 4, 5, 7, and 8 are effective January 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 299C.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Enforcement Division of the Department of Natural Resources, ~~the Commerce Fraud Bureau,~~ the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 21. Minnesota Statutes 2024, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given ~~them~~.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, ~~the Department of Commerce Fraud Bureau,~~ the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District Department of Public Safety, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.2335; 609.24; 609.245; 609.247; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.343, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.344, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), or (i); 609.345, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), and (i); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

(i) "Asserting person" means a person, other than the driver alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

Sec. 22. Minnesota Statutes 2024, section 626.05, subdivision 2, is amended to read:

Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer, agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and Gambling Enforcement, ~~peace officer of the Commerce Fraud Bureau~~, University of Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member, State Patrol trooper as authorized by section 299D.03, or railroad peace officer as authorized by section 219.995 and United States Code, title 49, section 28101.

Sec. 23. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given ~~them~~:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall

also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, ~~Department of Commerce Fraud Bureau Unit officers~~, the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

Sec. 24. **REVISOR INSTRUCTION.**

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

<u>Column A</u>	<u>Column B</u>
<u>45.0135, subdivision 6</u>	<u>299C.061, subdivision 9</u>
<u>45.0135, subdivision 7</u>	<u>299C.061, subdivision 10</u>
<u>45.0135, subdivision 8</u>	<u>299C.061, subdivision 11</u>
<u>45.0135, subdivision 9</u>	<u>299C.061, subdivision 12</u>
<u>299C.061, subdivision 9</u>	<u>299C.061, subdivision 13</u>

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, and 5; and 325E.21, subdivision 2b, are repealed.

ARTICLE 4

CRIMINAL LAW

Section 1. Minnesota Statutes 2024, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more, or 100 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses:

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 2. Minnesota Statutes 2024, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more, or 50 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses:

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or~~

~~more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 3. Minnesota Statutes 2024, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of: (i) a total weight of three grams or more containing heroin; or (ii) a total weight of five grams or more, or 25 dosage units or more, containing fentanyl;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug other than heroin or fentanyl, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses:

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 4. Minnesota Statutes 2024, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** (a) A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or a residual amount of one or more mixtures of controlled substances contained in drug paraphernalia; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

(b) For the purposes of this subdivision, a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 5. Minnesota Statutes 2024, section 152.137, subdivision 1, is amended to read:

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

(b) "Chemical substance" means a substance intended to be used as a precursor in the manufacture of methamphetamine or any other chemical intended to be used in the manufacture of methamphetamine.

(c) "Child" means any person under the age of 18 years.

(d) "Fentanyl" has the meaning given in section 152.01, subdivision 25.

~~(d)~~ (e) "Methamphetamine paraphernalia" means all equipment, products, and materials of any kind that are used, intended for use, or designed for use in manufacturing, injecting, ingesting, inhaling, or otherwise introducing methamphetamine into the human body.

~~(e)~~ (f) "Methamphetamine waste products" means substances, chemicals, or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine.

~~(f)~~ (g) "Vulnerable adult" has the meaning given in section 609.232, subdivision 11.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2024, section 152.137, subdivision 2, is amended to read:

Subd. 2. **Prohibited conduct.** (a) No person may knowingly engage in any of the following activities in the presence of a child or vulnerable adult; in the residence of a child or a vulnerable adult; in a building, structure, conveyance, or outdoor location where a child or vulnerable adult might reasonably be expected to be present; in a room offered to the public for overnight accommodation; or in any multiple unit residential building:

- (1) manufacturing or attempting to manufacture methamphetamine;
- (2) storing any chemical substance;
- (3) storing any methamphetamine waste products; or
- (4) storing any methamphetamine paraphernalia.

(b) No person may knowingly cause or permit a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest methamphetamine, a chemical substance, or methamphetamine paraphernalia.

(c) No person may knowingly cause or permit a child to inhale, be exposed to, have contact with, or ingest fentanyl.

(d) Paragraphs (b) and (c) do not apply to manufacturers, practitioners, pharmacists, owners of pharmacies, nurses, and other persons when the manufacturer, practitioner, pharmacist, owner of a pharmacy, nurse, or other person is acting in a professional capacity.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2024, section 609.2231, subdivision 2, is amended to read:

Subd. 2. **Firefighters and emergency medical personnel.** (a) Except as provided in paragraph (b), whoever physically assaults any of the following persons and inflicts demonstrable bodily harm is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both gross misdemeanor:

(1) either:

(i) a member of a municipal or volunteer fire department in the performance of the member's duties; or

(ii) a member of an emergency medical services personnel unit in the performance of the member's duties; or

(2) a physician, nurse, or other person providing health care services in a hospital emergency department.

(b) Whoever physically assaults a person described in paragraph (a), is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both, if the assault inflicts demonstrable bodily harm.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2024, section 609.2232, is amended to read:

609.2232 CONSECUTIVE SENTENCES FOR ASSAULTS COMMITTED BY STATE PRISON INMATES.

(a) If an inmate of a state correctional facility is convicted of violating section 609.221, 609.222, 609.223, 609.2231, or 609.224, while confined in the facility, the sentence imposed for the assault shall be executed and run consecutively to any unexpired portion of the offender's earlier sentence. The inmate is not entitled to credit against the sentence imposed for the assault for time served in confinement for the earlier sentence. The inmate shall serve the sentence for the assault in a state correctional facility even if the assault conviction was for a misdemeanor or gross misdemeanor.

(b) If an inmate of a county jail, county regional jail, county work farm, county workhouse, or other local correctional facility is convicted of violating section 609.221, 609.222, 609.223, or 609.2231 while confined in the facility and the victim is a county sheriff or sheriff's deputy, the court must not stay adjudication or imposition of the sentence and the inmate must be sentenced as follows:

(1) if the inmate was serving an executed sentence at the time of the assault, the sentence imposed for the assault shall be executed and run consecutively to that sentence;

(2) if the court imposes an executed sentence for any crime or offense for which the person was in custody when the person committed the assault, the sentence imposed for the assault shall be executed and run consecutively to that sentence; and

(3) if the inmate was serving a probationary sentence or the court imposes a stayed sentence for any crime or offense for which the person was in custody when the person committed the assault, the sentence imposed for the assault shall be executed.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2024, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree.** (a) Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$50,000, or both:

(1) solicits or induces an individual under the age of 18 years to practice prostitution;

(2) promotes the prostitution of an individual under the age of 18 years;

(3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 18 years; or

(4) engages in the sex trafficking of an individual under the age of 18 years.

(b) Whoever violates paragraph (a) or subdivision 1a may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$60,000, or both, if one or more of the following aggravating factors are present:

(1) the offender has committed a prior qualified human trafficking-related offense;

(2) the offense involved a sex trafficking victim who suffered bodily harm during the commission of the offense;

(3) the time period that a sex trafficking victim was held in debt bondage or forced or coerced labor or services exceeded 180 days; or

(4) the offense involved more than one sex trafficking victim.

(c) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that: (1) an executed sentence of between 77 and 108 months must be imposed on an offender convicted of violating (i) this subdivision under the conditions described in paragraph (a), or (ii) subdivision 1a under the conditions described in paragraph (b); and (2) an executed sentence of between 123 and 172 months must be imposed on an offender convicted of violating this subdivision under the conditions described in paragraph (b). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2024, section 609.593, subdivision 1, is amended to read:

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage to or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected to the line, or any wire, cable, or current of the line; or any component used in the generation, transmission, or distribution of electricity, including equipment used for grounding, system protection, or personnel protection;

(2) any equipment or fixture and any line or wire that is within or carries electricity to the equipment or fixture if the equipment or fixture is established or maintained for the use or benefit of the general public, such as street lights, street lighting systems, and special lighting systems; electric vehicle charging stations; electronic traffic-control signals and camera systems; and electronic warning or notice signs;

~~(2)~~ (3) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part of the pipe, main, or pipeline, or any valve, meter, holder,

compressor, machinery, appurtenance, equipment, or apparatus connected with any main or pipeline; or

~~(3)~~ (4) any machinery, equipment, or fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, broadband services, cable services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2024, section 609.78, subdivision 2c, is amended to read:

Subd. 2c. **Felony offense; reporting fictitious emergency resulting in response to the home of certain officials.** Whoever violates subdivision 2, clause (2), is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$5,000, or both, if the person places the call with the intent of prompting an emergency response to the home of:

(1) an elected official;

(2) a judge as defined in section 609.221, subdivision 6, clause (5);

(3) a prosecuting attorney as defined in section 609.221, subdivision 6, clause (4);

(4) ~~an employee of a correctional facility as defined in section 241.021, subdivision 1~~ a correctional employee of the state or a local political subdivision; or

(5) a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2024, section 617.246, subdivision 1, is amended to read:

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

(b) "Minor" means any person under the age of 18.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction that uses a minor to depict actual or simulated sexual conduct as defined by ~~clause~~ paragraph (e).

(e) "Sexual conduct" means any of the following:

(1) an act of sexual intercourse, normal or perverted, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a person who is nude or clad in undergarments or in a revealing costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed;

(3) masturbation;

(4) lewd exhibitions of the genitals; or

(5) physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(f) ~~"Pornographic work"~~ Child sexual abuse material means:

(1) an original or reproduction of a picture, film, photograph, negative, slide, videotape, videodisc, or drawing of a sexual performance involving a minor; or

(2) any visual depiction, including any photograph, film, video, picture, drawing, negative, slide, or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means that:

(i) uses a minor to depict actual or simulated sexual conduct;

(ii) has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct; ~~or~~

(iii) is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexual conduct; or

(iv) depicts an individual indistinguishable from an actual minor created by the use of generative artificial intelligence or other computer technology capable of processing and interpreting specific data inputs, commonly referred to as prompts, to create a visual depiction of the individual engaging in sexual conduct and is obscene.

For the purposes of this paragraph, an identifiable minor is a person who was a minor at the time the depiction was created or altered, whose image is used to create the visual depiction.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 13. **[617.2471] IMMUNITY.**

No civil or criminal liability for a violation of section 617.246 or 617.247 that involves child sexual abuse materials as defined solely in section 617.246, subdivision 1, paragraph (f), clause (2),

item (iv), may be imposed on an interactive computer service, as defined in United States Code, title 47, section 230, or a provider of an information service or telecommunications service, as defined in United States Code, title 47, section 153, or an employee of the service or provider acting in the course and scope of employment:

(1) for actions taken to prevent, detect, protect against, report, or respond to the production, generation, incorporation, or synthesization of the work; or

(2) for content provided by another person.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to acts committed on or after that date.

Sec. 14. Minnesota Statutes 2024, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and 609.3458 may be found or made at any time after the commission of the offense.

(f) Indictments or complaints for a violation of section 609.561 shall be found or made and filed in the proper court within ten years after the commission of the offense.

~~(g)~~ (g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(g)~~ (h) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(h)~~ (i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(h)~~ (j) Indictments or complaints for violation of sections ~~609.561 to~~ 609.562 and 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(j)~~ (k) Indictments or complaints for violation of section 609.746 shall be found or made and filed in the proper court within the later of three years after the commission of the offense or three years after the offense was reported to law enforcement authorities.

~~(k)~~ (l) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(h)~~ (m) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(m)~~ (n) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(n)~~ (o) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2025.

Sec. 15. Laws 2023, chapter 52, article 4, section 24, subdivision 7, as amended by Laws 2024, chapter 123, article 4, section 20, is amended to read:

Subd. 7. **Determination; order; resentencing.** (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being.

(b) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant in the underlying felony or did not act with extreme indifference to human life.

(c) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition.

(d) If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), and:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted;

(2) enter a conviction and impose a sentence for any other predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court; or

(3) enter a conviction and impose a sentence for any lesser included offense as described in Minnesota Statutes, section 631.14.

(e) If the court intends to enter a conviction and impose a sentence for a lesser included offense, the court must hold a hearing to determine the appropriate offense.

(f) If the court proceeds under paragraph (d), clause (1) or (2), the new sentence announced by the court under this section must be for the most serious predicate felony unless the most serious remaining offense for which the petitioner was convicted is that offense or a more serious offense.

(g) If, pursuant to paragraph (d), the court either resents a petitioner or imposes a sentence, the court shall also resentence the petitioner for any other offense if the sentence was announced by a district court of the same county, the sentence was either ordered to be served consecutively to the vacated conviction or the criminal history calculation for that sentence included the vacated sentence, and the changes made pursuant to paragraph (d) would have resulted in a different criminal history score being used at the time of sentencing.

(h) The court shall state in writing or on the record the reasons for its decision on the petition.

(i) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision shall not increase the petitioner's total period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. The court may increase the period of confinement for a sentence that was ordered to be served consecutively to the vacated conviction based on a change in the appropriate criminal history score provided the court does not increase the petitioner's total period of confinement. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(j) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

(k) If a conviction is entered under this subdivision, the date of that conviction by operation of law is deemed to be the same as that of the original conviction for violating section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1).

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 16. **REVISOR INSTRUCTION.**

The revisor of statutes shall update headnote cross-references in Minnesota Statutes and Minnesota Rules to reflect the changes made in this article.

ARTICLE 5

PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2024, section 13.03, subdivision 6, is amended to read:

Subd. 6. **Discoverability of not public data.** If a government entity opposes discovery of government data or release of data pursuant to court order on the grounds that the data are classified as not public, the party that seeks access to the data may bring before the appropriate presiding judicial officer, arbitrator, or administrative law judge an action to compel discovery or an action in the nature of an action to compel discovery.

The presiding officer shall first decide whether the data are discoverable or releasable pursuant to the rules of evidence and of criminal, civil, or administrative procedure appropriate to the action.

If the data are discoverable the presiding officer shall decide whether the benefit to the party seeking access to the data outweighs any harm to the confidentiality interests of the entity maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of an individual identified in the data. In making the decision, the presiding officer shall consider whether notice to the subject of the data is warranted and, if warranted, what type of notice must be given. The presiding officer may fashion and issue any protective orders necessary to assure proper handling of the data by the parties. If the data are a ~~videotape~~ videotape recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse, the presiding officer shall consider the provisions of section 611A.90, subdivision 2, paragraph (b). If the data are data subject to the protections under chapter 5B or section 13.045, the presiding officer shall consider the provisions of section 5B.11.

Sec. 2. Minnesota Statutes 2024, section 13.821, is amended to read:

13.821 ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

(a) Notwithstanding section 13.04, subdivision 3, an individual subject of data may not obtain a copy of a ~~videotape~~ videotape recording in which a child victim or alleged victim is alleging, explaining, denying, or describing an act of physical or sexual abuse without a court order under section 13.03, subdivision 6, or 611A.90. The definitions of physical abuse and sexual abuse in section 260E.03, apply to this section, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

(b) This section does not limit other rights of access to data by an individual under section 13.04, subdivision 3, other than the right to obtain a copy of the ~~videotape~~ videotape recording, nor prohibit rights of access pursuant to discovery in a court proceeding.

Sec. 3. Minnesota Statutes 2024, section 121A.038, subdivision 7, is amended to read:

Subd. 7. **Violence prevention.** (a) A school district or charter school conducting an active shooter drill must provide students in middle school and high school at least one hour, or one standard class period, of violence prevention training annually.

(b) The violence prevention training must be evidence-based and may be delivered in-person, virtually, or digitally. Training must, at a minimum, teach students the following:

(1) how to identify observable warning signs and signals of an individual who may be at risk of harming oneself or others;

(2) the importance of taking threats seriously and seeking help; and

(3) the steps to report dangerous, violent, threatening, harmful, or potentially harmful activity, including providing information about the Department of Public Safety's statewide anonymous threat reporting system and any local threat reporting systems.

(c) By July 1, 2024, the commissioner of public safety and the commissioner of education must jointly develop a list of evidence-based trainings that a school district or charter school may use to fulfill the requirements of this section, including no-cost programming, if any. The agencies must:

(1) post the list publicly on the Minnesota School Safety Center's website; and

(2) update the list every two years.

(d) A school district or charter school must ensure that students have the opportunity to contribute to their school's safety and violence prevention planning, aligned with the recommendations for multihazard planning for schools, including but not limited to:

(1) student opportunities for leadership related to prevention and safety;

(2) encouragement and support to students in establishing clubs and programs focused on safety; and

(3) providing students with the opportunity to seek help from adults and to learn about prevention connected to topics including bullying, sexual harassment, sexual assault, and suicide.

Sec. 4. Minnesota Statutes 2024, section 121A.06, is amended to read:

121A.06 REPORTS OF DANGEROUS WEAPON INCIDENTS AND ACTIVE SHOOTER INCIDENTS IN SCHOOL ZONES.

Subdivision 1. **Definitions.** As used in this section:

(1) "active shooter incident" means an event involving an armed individual or individuals on campus or an armed assailant in the immediate vicinity of the school;

(2) "active shooter threat" means a real or perceived threat that an active shooter incident will occur;

- (+) (3) "dangerous weapon" has the meaning given in section 609.02, subdivision 6;
- (-) (4) "school" has the meaning given in section 120A.22, subdivision 4; and
- (-) (5) "school zone" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

Subd. 2. **Dangerous weapons reports; content.** School districts must electronically report to the commissioner of education incidents involving the use or possession of a dangerous weapon in school zones. The ~~form~~ report must include the following information:

- (1) a description of each incident, including a description of the dangerous weapon involved in the incident;
- (2) where, at what time, and under what circumstances the incident occurred;
- (3) information about the offender, other than the offender's name, including the offender's age; whether the offender was a student and, if so, where the offender attended school; and whether the offender was under school expulsion or suspension at the time of the incident;
- (4) information about the victim other than the victim's name, if any, including the victim's age; whether the victim was a student and, if so, where the victim attended school; and if the victim was not a student, whether the victim was employed at the school;
- (5) the cost of the incident to the school and to the victim; and
- (6) the action taken by the school administration to respond to the incident.

The commissioner shall provide an electronic reporting format that allows school districts to provide aggregate data.

Subd. 2a. **Active shooter reports; content.** (a) A school district, charter school, or cooperative unit under section 123A.24, subdivision 2, that serves students must electronically file an after-action review report for active shooter incidents and active shooter threats to the Minnesota Fusion Center. The report must include the following information:

- (1) a description of each incident or threat;
- (2) how the active shooter threat was communicated, including whether the threat was communicated through social media or email;
- (3) information about the individual, other than the individual's name, including the individual's age; whether the individual was a student and, if so, where the individual attended school; and whether the individual was under school expulsion or suspension at the time of the incident;
- (4) the immediate cost of the incident to the school, if any;
- (5) the action taken by the school administration to respond to the incident or threat, including any referrals to law enforcement or mental health professionals; and

(6) the law enforcement agency or agencies with jurisdiction over the school, even if the incident did not result in a referral to law enforcement.

(b) Reports required under paragraph (a) must be submitted on a form provided by the Minnesota Fusion Center and in a manner consistent with the reporting school's safety plan. The Minnesota Fusion Center must consult with the Minnesota School Safety Center in creation of the reporting form.

Subd. 3. **Reports; filing requirements.** By July 31 of each year, each public school shall report incidents involving the use or possession of a dangerous weapon in school zones to the commissioner. The reports must be submitted using the electronic reporting system developed by the commissioner under subdivision 2. The commissioner shall compile the information it receives from the schools and report it annually to the commissioner of public safety and the legislature.

Sec. 5. Minnesota Statutes 2024, section 144.296, is amended to read:

144.296 COPIES OF ~~VIDEOTAPES~~ RECORDINGS.

A provider may not release a copy of a videotape recording of a child victim or alleged victim of physical or sexual abuse without a court order under section 13.03, subdivision 6, or as provided in section 611A.90. This section does not limit the right of a patient to view or listen to the videotape recording.

Sec. 6. Minnesota Statutes 2024, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications, including a process for determining on intake whether a Jarvis Order is in place and ensuring it will be followed during the confinement or incarceration;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all

data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 7. Minnesota Statutes 2024, section 241.021, is amended by adding a subdivision to read:

Subd. 4f. **Provision of medications in correctional facilities.** (a) Correctional facilities licensed by the commissioner shall administer to confined and incarcerated persons the same medications prescribed to those individuals prior to their confinement or incarceration.

(b) Unless a confined or incarcerated person is subject to a Jarvis order that dictates otherwise, paragraph (a) does not apply when:

(1) a licensed health care professional determines, after consulting with the licensed health care professional who prescribed the medication, that the prescribed medication is not medically appropriate for the person based on the person's medical condition or status;

(2) a licensed health care professional determines a medication that is at least as effective as the current medication the person is prescribed is available to treat the condition and the licensed health care professional who prescribed the current medication approves the change in medications; or

(3) the person provides written notice to the licensed health care professional who is responsible for inmate health care at the correctional facility that the person no longer desires to take the medication.

(c) As used in this subdivision, "licensed health care professional" means a physician licensed under chapter 147, physician assistant licensed under chapter 147A, or advanced practice registered nurse as defined in section 148.171, subdivision 3.

Sec. 8. Minnesota Statutes 2024, section 246B.04, subdivision 2, is amended to read:

Subd. 2. **Ban on obscene material or ~~pornographic work~~ child sexual abuse material.** The executive board shall prohibit persons civilly committed as sexual psychopathic personalities or sexually dangerous persons under chapter 253D from having or receiving material that is obscene as defined under section 617.241, subdivision 1, material that depicts sexual conduct as defined under section 617.241, subdivision 1, or ~~pornographic work~~ child sexual abuse material as defined under section 617.246, subdivision 1, while receiving services in any secure treatment facilities operated by the Minnesota Sex Offender Program or any other facilities operated by the executive board.

Sec. 9. Minnesota Statutes 2024, section 299C.055, is amended to read:

299C.055 LEGISLATIVE REPORT ON FUSION CENTER ACTIVITIES.

(a) The superintendent must prepare an annual report for the public and the legislature on the Minnesota Fusion Center (MNFC) that includes general information about the MNFC; the types of activities it monitors; the scale of information it collects; the local, state, and federal agencies with which it shares information; and the quantifiable benefits it produces. None of the reporting requirements in this section supersede chapter 13 or any other state or federal law. The superintendent must report on activities for the preceding calendar year unless another time period is specified. The report must include the following information, to the extent allowed by other law:

(1) the MNFC's operating budget for the current biennium, number of staff, and staff duties;

(2) the number of publications generated and an overview of the type of information provided in the publications, including products such as law enforcement briefs, partner briefs, risk assessments, threat assessments, and operational reports;

(3) a summary of audit findings for the MNFC and what corrective actions were taken pursuant to audits;

(4) the number of data requests received by the MNFC and a general description of those requests;

(5) the types of surveillance and data analysis technologies utilized by the MNFC, such as artificial intelligence or social media analysis tools;

(6) a description of the commercial and governmental databases utilized by the MNFC to the extent permitted by law;

(7) the number of suspicious activity reports (SARs) received and processed by the MNFC;

(8) the number of SARs received and processed by the MNFC that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies;

(9) the number of SARs received and processed by the MNFC that involve an individual on the Terrorist Screening Center watchlist;

(10) the number of requests for information (RFIs) that the MNFC received from law enforcement agencies and the number of responses to federal requests for RFIs;

(11) the names of the federal agencies the MNFC received data from or shared data with;

(12) the names of the agencies that submitted SARs;

(13) a summary description of the MNFC's activities with the Joint Terrorism Task Force; ~~and~~

(14) the number of investigations aided by the MNFC's use of SARs and RFIs;

(15) the number of tips received through the Department of Public Safety's anonymous threat reporting system, including the See It, Say It, Send It application, and the number of those tips that the MNFC processed; and

(16) the number of active shooter incident reports received from school districts pursuant to section 121A.06, subdivision 2a, paragraph (b); a summary of the reports; and the number of reports that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies.

(b) The report shall be provided to the chairs and ranking minority members of the committees of the house of representatives and senate with jurisdiction over data practices and public safety issues, and shall be posted on the MNFC website by February 15 each year beginning on February 15, 2024.

Sec. 10. Minnesota Statutes 2024, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.565, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

(b) "DNA" means deoxyribonucleic acid from a human biological specimen.

(c) "Endangered" means that a law enforcement official has received sufficient evidence that the missing person is at risk of physical injury or death. The following circumstances indicate that a missing person is at risk of physical injury or death:

(1) the person is missing as a result of a confirmed abduction or under circumstances that indicate that the person's disappearance was not voluntary;

(2) the person is missing under known dangerous circumstances;

(3) the person is missing more than 30 days;

(4) the person is under the age of 21 and at least one other factor in this paragraph is applicable;

(5) there is evidence the person is in need of medical attention or prescription medication such that it will have a serious adverse effect on the person's health if the person does not receive the needed care or medication;

(6) the person does not have a pattern of running away or disappearing;

(7) the person is mentally impaired;

(8) the person has been diagnosed with dementia, a traumatic brain injury, Alzheimer's disease, or other cognitive impairments;

(9) the person has been diagnosed with autism;

(10) there is evidence that the person may have been abducted by a noncustodial parent;

~~(9)~~ (11) the person has been the subject of past threats or acts of violence;

~~(10)~~ (12) there is evidence the person is lost in the wilderness, backcountry, or outdoors where survival is precarious and immediate and effective investigation and search and rescue efforts are critical; or

~~(11)~~ (13) any other factor that the law enforcement agency deems to indicate that the person may be at risk of physical injury or death, including a determination by another law enforcement agency that the person is missing and endangered.

(d) "Missing" means the status of a person after a law enforcement agency that has received a report of a missing person has conducted a preliminary investigation and determined that the person cannot be located.

(e) "NCIC" means National Crime Information Center.

Sec. 11. Minnesota Statutes 2024, section 299F.47, subdivision 2, is amended to read:

Subd. 2. **Charter school inspections; fees.** The state fire marshal shall charge charter schools ~~\$100~~ \$0.014 per square foot for each school building inspected. ~~This rate~~ These rates shall include two follow-up inspections or on-site consultations. If additional follow-up inspections or consultations are needed, the state fire marshal shall charge ~~\$50~~ \$0.005 per square foot for each additional follow-up inspection to each applicable building in which a follow-up inspection is needed.

Sec. 12. Minnesota Statutes 2024, section 388.23, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, and subscribers of private computer networks including Internet service providers or computer bulletin board systems;

(ii) electric companies, gas companies, and water utilities;

(iii) chemical suppliers;

(iv) hotels and motels;

(v) pawn shops;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people; and

(vii) freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery; ~~and;~~

(2) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies;

(3) insurance records relating to the monetary payment or settlement of claims;

(4) the banking, credit card, and financial records of a subject of an identity theft investigation or a vulnerable adult, whether held in the name of the vulnerable adult or a third party, including but not limited to safe deposit, loan and account applications and agreements, signature cards, statements, checks, transfers, account authorizations, safe deposit access records and documentation of fraud; ~~and;~~

(5) wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs; and

(6) any of the following records of an employer or business entity who is the subject of or has information related to a wage theft investigation:

(i) accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers;

(ii) records required to be kept pursuant to section 177.30, paragraph (a); and

(iii) other records that in any way relate to wages or other income paid, hours worked, and other conditions of employment of any employee or of work performed by persons identified as independent contractors, and records of any payments to contractors, and records of workers' compensation insurance.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation. Administrative subpoenas may only be issued in wage theft, welfare fraud, and identity theft cases if there is probable cause to believe a crime has been committed.

(c) This ~~provision~~ subdivision applies only to the records of business entities and does not extend to private individuals or their dwellings.

(d) As used in this subdivision, "business entity" has the meaning given in section 308B.005.

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

Sec. 13. Minnesota Statutes 2024, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual

advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of section 626.557 and chapter 260E.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of section 626.557 and chapter 260E.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A domestic abuse advocate ~~may~~ shall not, without the consent of the victim, be ~~compelled~~ allowed to disclose any opinion or information received from or about the victim ~~without the consent of the victim unless ordered by the court~~ that the advocate acquired in attending to the victim in a professional capacity. ~~In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the relationship between the victim and domestic abuse advocate, and the services if disclosure occurs.~~ Nothing in this paragraph (1) exempts domestic abuse advocates from compliance with the provisions of section 626.557 and chapter 260E, or (2) modifies a prosecutor's obligation to disclose material and information to the defense when the information is in the possession or control of members of the prosecution staff and of any others who have participated in the investigation or evaluation of the case and who either regularly report, or with reference to the particular case have reported, to the prosecutor's office.

For the purposes of this section, "domestic abuse advocate" means an employee or supervised volunteer from a community-based ~~battered women's shelter and~~ domestic abuse program eligible to receive grants under section 611A.32; that provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse and who is not employed by or under the direct supervision of a law enforcement agency, a prosecutor's office, or by a city, county, or state agency.

(m) A person cannot be examined as to any communication or document, including work notes, made or used in the course of or because of mediation pursuant to an agreement to mediate or a collaborative law process pursuant to an agreement to participate in collaborative law. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement or a stipulated agreement resulting from the collaborative law process set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation or collaborative law by the common law.

(n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(o) A communication assistant for a telecommunications relay system for persons who have communication disabilities shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

Sec. 14. Minnesota Statutes 2024, section 609.527, subdivision 3, is amended to read:

Subd. 3. **Penalties.** A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is \$250 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than \$250 but not more than \$500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than \$500 but not more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves more than three but not more than seven direct victims, or if the total combined loss to the direct and indirect victims is more than \$2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2);

(5) if the offense involves eight or more direct victims, or if the total, combined loss to the direct and indirect victims is more than \$35,000, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1); and

(6) if the offense is related to possession or distribution of ~~pornographic work~~ child sexual abuse material in violation of section 617.246 or 617.247, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

Sec. 15. Minnesota Statutes 2024, section 611.24, subdivision 4, is amended to read:

Subd. 4. **Appeal by prosecuting attorney; attorney fees.** (a) When a prosecuting attorney appeals to the court of appeals, in any criminal case, from any pretrial order of the district court, reasonable attorney fees and costs incurred shall be allowed to the defendant on the appeal which shall be paid by the governmental unit responsible for the prosecution involved in accordance with paragraph (b).

(b) On or before January 15 of each year, the chief judge of the judicial district, after consultation with city and county attorneys, the chief public defender, and members of the private bar in the district, shall establish a reimbursement rate for attorney fees and costs associated with representation of a defendant on appeal. The compensation to be paid to an attorney for such service rendered to a defendant under this subdivision may not exceed \$10,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the chief judge of the district as necessary to provide fair compensation for services of an unusual character or duration.

Sec. 16. Minnesota Statutes 2024, section 611A.90, is amended to read:

611A.90 RELEASE OF ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

Subdivision 1. **Definition.** For purposes of this section, "physical abuse" and "sexual abuse" have the meanings given in section 260E.03, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

Subd. 2. **Court order required.** (a) A custodian of a videotape recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse as part of an investigation or evaluation of the abuse may not release a copy of the videotape recording without a court order, notwithstanding that the subject has consented to the release of the videotape recording or that the release is authorized under law.

(b) The court order may govern the purposes for which the videotape recording may be used, reproduction, release to other persons, retention and return of copies, and other requirements reasonably necessary for protection of the privacy and best interests of the child.

Subd. 3. **Petition.** An individual subject of data, as defined in section 13.02, or a patient, as defined in sections 144.291 to 144.298, who is seeking a copy of a videotape recording governed by this section may petition the district court in the county where the alleged abuse took place or where the custodian of the videotape recording resides for an order releasing a copy of the videotape recording under subdivision 2. Nothing in this section establishes a right to obtain access to a videotape recording by any other person nor limits a right of a person to obtain access if access is otherwise authorized by law or pursuant to discovery in a court proceeding.

Sec. 17. Minnesota Statutes 2024, section 617.246, subdivision 2, is amended to read:

Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or pornographic work child sexual abuse material if the person knows or has reason to know that the conduct intended is a sexual performance or a pornographic work child sexual abuse material.

Any person who violates this paragraph is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 18. Minnesota Statutes 2024, section 617.246, subdivision 3, is amended to read:

Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a business in which ~~a pornographic work~~ child sexual abuse material, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the ~~pornographic work~~ child sexual abuse material disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 19. Minnesota Statutes 2024, section 617.246, subdivision 4, is amended to read:

Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor ~~a pornographic work~~ child sexual abuse material, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Sec. 20. Minnesota Statutes 2024, section 617.246, subdivision 6, is amended to read:

Subd. 6. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the sexual performance or ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Sec. 21. Minnesota Statutes 2024, section 617.247, is amended to read:

617.247 POSSESSION OF ~~PORNOGRAPHIC WORK INVOLVING MINORS~~ CHILD SEXUAL ABUSE MATERIAL.

Subdivision 1. **Policy; purpose.** It is the policy of the legislature in enacting this section to protect minors from the physical and psychological damage caused by their being used in ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involves minors. It is therefore the intent of the legislature to penalize possession of ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involve minors or appears to involve minors in order to protect the identity of minors who are victimized by involvement in the ~~pornographic work~~ child sexual abuse material, and to protect minors from future involvement in ~~pornographic work~~ child sexual abuse material depicting sexual conduct.

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

(a) "~~Pornographic work~~" "Child sexual abuse material" has the meaning given to it in section 617.246.

(b) "Sexual conduct" has the meaning given to it in section 617.246.

Subd. 3. **Dissemination prohibited.** (a) A person who disseminates ~~pornographic work~~ child sexual abuse material to an adult or a minor, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$10,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 4. **Possession prohibited.** (a) A person who possesses ~~a pornographic work~~ child sexual abuse material or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing ~~a pornographic work~~ child sexual abuse material, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 5. **Exception.** This section does not apply to the performance of official duties by peace officers, court personnel, or attorneys, nor to licensed physicians, psychologists, or social workers or persons acting at the direction of a licensed physician, psychologist, or social worker in the course of a bona fide treatment or professional education program.

Subd. 6. **Consent.** Consent to sexual performance by a minor or the minor's parent, guardian, or custodian is not a defense to a charge of violation of this section.

Subd. 7. **Second offense.** If a person is convicted of a second or subsequent violation of this section within 15 years of the prior conviction, the court shall order a mental examination of the person. The examiner shall report to the court whether treatment of the person is necessary.

Subd. 8. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

Sec. 22. Minnesota Statutes 2024, section 624.714, subdivision 7a, is amended to read:

Subd. 7a. **Change of address or legal name; loss or destruction of permit.** (a) Within 30 days after changing the permit holder's legal name or permanent address, or within 30 days of having

lost or destroyed the permit card, the permit holder must notify the issuing sheriff of the change, loss, or destruction. Failure to provide notification as required by this subdivision is a petty misdemeanor. The fine for a first offense must not exceed \$25. Notwithstanding section 609.531, a firearm carried in violation of this paragraph is not subject to forfeiture.

(b) After notice is given under paragraph (a), a permit holder may obtain a replacement permit card by paying \$10 to the sheriff. The request for a replacement permit card must be made on an official, standardized application adopted for this purpose under section 624.7151, and, except in the case of a legal name or an address change, must include a notarized statement that the permit card has been lost or destroyed.

Sec. 23. Minnesota Statutes 2024, section 626.19, subdivision 3, is amended to read:

Subd. 3. **Authorized use.** A law enforcement agency may use a UAV:

(1) during or in the aftermath of an emergency situation that involves the risk of death or bodily harm to a person;

(2) to document evidence that is at imminent risk of destruction;

~~(2)~~ (3) over a public event where there is a heightened risk to the safety of participants or bystanders;

~~(3)~~ (4) to counter the risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates a risk;

~~(4)~~ (5) to prevent the loss of life and property in natural or man-made disasters and to facilitate operational planning, rescue, and recovery operations in the aftermath of these disasters;

~~(5)~~ (6) to conduct a threat assessment in anticipation of a specific event;

~~(6)~~ (7) to collect information from a public area if there is reasonable suspicion of criminal activity;

~~(7)~~ (8) to collect information for crash reconstruction purposes after a serious or deadly collision occurring on a public road;

~~(8)~~ (9) over a private area with the written consent of the occupant or a public area, for officer training or public relations purposes; ~~and~~

~~(9)~~ (10) for purposes unrelated to law enforcement at the request of a government entity provided that the government entity makes the request in writing to the law enforcement agency and specifies the reason for the request and proposed period of use; and

(11) to facilitate the active search for a missing person.

Sec. 24. Minnesota Statutes 2024, section 626A.35, subdivision 2b, is amended to read:

Subd. 2b. **Exception; stolen motor vehicles.** (a) The prohibition under subdivision 1 does not apply to the use of a mobile tracking device on a stolen motor vehicle when:

(1) the consent of the owner of the vehicle has been obtained; or

(2) the owner of the motor vehicle has reported to law enforcement that the vehicle is stolen, ~~and the vehicle is occupied when the tracking device is installed~~ and the stolen vehicle is not on private property.

(b) Within ~~24~~ 12 hours of a tracking device being attached to a vehicle pursuant to the authority granted in paragraph (a), clause (2), an officer employed by the agency that attached the tracking device to the vehicle must remove the device, disable the device, or obtain a search warrant granting approval to continue to use the device in the investigation.

(c) A peace officer employed by the agency that attached a tracking device to a stolen motor vehicle must remove the tracking device if the vehicle is recovered and returned to the owner.

(d) Any tracking device evidence collected after the motor vehicle is returned to the owner is inadmissible.

(e) When a peace officer attaches a tracking device to a stolen vehicle pursuant to paragraph (a), clause (2), the peace officer must prepare a report that includes the evidence relied upon to establish the vehicle was reported stolen, the date and time the device was attached to the vehicle, the method used to attach the device to the vehicle, the duration for which the tracking device was attached to the vehicle, and an explanation of how the device impacted the outcome of the investigation. Reports created under this paragraph must be retained as part of the criminal investigation file.

(f) By August 1, 2024, and each year thereafter, the chief law enforcement officer of an agency that obtains a search warrant under paragraph (b), must provide notice to the superintendent of the Bureau of Criminal Apprehension of the number of search warrants the agency obtained under this subdivision in the preceding 12 months. The superintendent must provide a summary of the data received pursuant to this paragraph in the bureau's biennial report to the legislature required under section 299C.18.

Sec. 25. Minnesota Statutes 2024, section 626A.35, is amended by adding a subdivision to read:

Subd. 2c. Exception; fleeing motor vehicles. (a) The prohibition under subdivision 1 does not apply to the use of a mobile tracking device on a fleeing motor vehicle.

(b) If a mobile tracking device is attached to a vehicle pursuant to the authority granted in paragraph (a) and the vehicle is not in the custody of law enforcement within 12 hours of the mobile tracking device being attached to the vehicle, an officer employed by the agency that attached the tracking device to the vehicle must remove the device, disable the device, or obtain a search warrant granting approval to continue to use the device in the investigation.

(c) A peace officer employed by the agency that attached a tracking device to a fleeing motor vehicle must remove the tracking device if the vehicle is recovered, determined to be stolen, and returned to the owner. Any tracking device evidence collected after the motor vehicle is returned to the owner is inadmissible.

(d) When a peace officer attaches a tracking device to a fleeing vehicle pursuant to paragraph (a), the peace officer must prepare a report that includes the evidence relied upon to establish the vehicle was fleeing, the date and time the device was attached to the vehicle, the method used to attach the device to the vehicle, the duration for which the tracking device was attached to the vehicle, and an explanation of how the device impacted the outcome of the investigation. Reports created under this paragraph must be retained as part of the criminal investigation file.

(e) By August 1, 2026, and each year thereafter, the chief law enforcement officer of an agency that obtains a search warrant under paragraph (b) must provide notice to the superintendent of the Bureau of Criminal Apprehension of the number of search warrants the agency obtained under this subdivision in the preceding 12 months. The superintendent must provide a summary of the data received pursuant to this paragraph in the bureau's biennial report to the legislature required under section 299C.18.

(f) For purposes of this subdivision, "flee" has the meaning given in section 609.487, subdivision 1.

Sec. 26. Minnesota Statutes 2024, section 634.35, is amended to read:

634.35 ~~VIDEOTAPES~~ RECORDINGS OF CHILD VICTIMS; CONDITIONS OF DISCLOSURE.

(a) If a ~~videotaped~~ recorded interview of a child victim of physical or sexual abuse is disclosed by a prosecuting attorney to a defendant or the defendant's attorney, the following applies:

(1) no more than two copies of the ~~tape~~ recording or any portion of the ~~tape~~ recording may be made by the defendant or the defendant's attorney, investigator, expert, or any other representative or agent of the defendant;

(2) the ~~tapes~~ recordings may not be used for any purpose other than to prepare for the defense in the criminal action against the defendant;

(3) the ~~tapes~~ recordings may not be publicly exhibited, shown, displayed, used for educational, research, or demonstrative purposes, or used in any other fashion, except in judicial proceedings in the criminal action against the defendant;

(4) the ~~tapes~~ recordings may be viewed only by the defendant, the defendant's attorney, and the attorney's employees, investigators, and experts;

(5) no transcript of the ~~tapes~~ recordings, nor the substance of any portion of the ~~tapes~~ recordings, may be divulged to any person not authorized to view or listen to the tapes recordings;

(6) no person may be granted access to the ~~tapes~~ recordings, any transcription of the ~~tapes~~ recordings, or the substance of any portion of the ~~tapes~~ recordings unless the person has first signed a written agreement that the person is aware of this statute and acknowledges that the person is subject to the court's contempt powers for any violation of it; and

(7) upon final disposition of the criminal case against the defendant, the ~~tapes~~ recordings and any transcripts of the ~~tapes~~ recordings must be returned to the prosecuting attorney.

(b) The court may hold a person who violates this section in contempt.

Sec. 27. **REVISOR INSTRUCTION.**

The revisor of statutes shall update headnote cross-references in Minnesota Statutes and Minnesota Rules to reflect the changes made in this article.

Sec. 28. **REPEALER.**

Minnesota Statutes 2024, sections 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; and 325F.07, are repealed.

ARTICLE 6

CRIME VICTIMS PROVISIONS

Section 1. Minnesota Statutes 2024, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, ~~battered women~~ domestic abuse victim shelters and nonshelter programs, ~~and~~ sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

Sec. 2. Minnesota Statutes 2024, section 611A.02, is amended to read:

611A.02 NOTIFICATION OF VICTIM SERVICES AND VICTIMS' RIGHTS.

Subd. 2. **Victims' rights.** (a) The Office of Justice Programs in the Department of Public Safety shall update the ~~two~~ model notices of the rights of crime victims required to be distributed under this section and section 629.341.

(b) The initial notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, at the time of initial contact with the victim at the scene or when the victim makes a report. The notice, which may be distributed as a document or electronically, must inform a victim of:

(1) the victim's right to apply ~~for reparations~~ to the Minnesota Crime Victims Reimbursement Program to cover losses, not including property losses, resulting from a violent crime ~~and the telephone number to call to request an application~~ and information on how to apply;

(2) the victim's right to request that the law enforcement agency withhold public access to data revealing the victim's identity under section 13.82, subdivision 17, paragraph (d);

(3) the additional rights of domestic abuse victims as described in section 629.341;

(4) information on statewide crime victim help lines, the state address confidentiality program, and the nearest crime victim assistance program or resource; and

(5) ~~the victim's rights, if an offender is charged, to be informed of and participate in the prosecution process, including the right to request restitution; and right to be notified if an offender is charged, to participate in the prosecution process, and to request restitution upon conviction.~~

~~(6)~~ (c) A supplemental notice must be distributed by law enforcement agencies in homicide cases; and must include resources and information specific to homicide victims and information on rights and procedures available under sections 524.2-803, 524.3-614, and 524.3-615.

~~(e)~~ (d) A supplemental notice of the rights of crime victims must be distributed by the city or county attorney's office to each victim; within a reasonable time after the offender is charged or petitioned. This notice must inform a victim of all the rights of crime victims under this chapter.

Subd. 3. **Notice of rights of victims in juvenile court.** ~~(a) The Office of Justice Programs in the Department of Public Safety shall update the notice of the rights of victims in juvenile court that explains~~ A supplemental notice shall be distributed by the prosecutor's office to each victim of an offense committed by a juvenile within a reasonable time after the petition is filed. This notice must notify the victim of:

(1) the rights of victims in the juvenile court;

(2) when a juvenile matter is public;

(3) the procedures to be followed in juvenile court proceedings; ~~and~~

(4) the right to attend certain juvenile court proceedings;

(5) the information related to the juvenile case that is available to victims; and

~~(4)~~ (6) other relevant matters.

~~(b) The juvenile court shall distribute a copy of the notice to each victim of juvenile crime who attends a juvenile court proceeding, along with a notice of services for victims available in that judicial district.~~

Sec. 3. Minnesota Statutes 2024, section 611A.0315, is amended to read:

611A.0315 VICTIM NOTIFICATION; DOMESTIC ASSAULT; CRIMINAL SEXUAL CONDUCT; HARASSMENT; STALKING.

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault; a criminal sexual conduct offense; or harassment or stalking; or a violation of an order for protection, domestic abuse no contact order, or harassment restraining order that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by email or mail. If a suspect is still in custody, the a telephone or email notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, a violation of an order for protection, or a violation of a harassment restraining order, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment or stalking under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

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

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2.

(d) "Harassment" or "stalking" means a violation of section 609.749.

(e) "Criminal sexual conduct offense" means a violation of sections 609.342 to 609.3453.

(f) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

(g) "Violation of a harassment restraining order" has the meaning given in section 609.748, subdivision 6.

Sec. 4. Minnesota Statutes 2024, section 611A.06, is amended by adding a subdivision to read:

Subd. 3b. **Notice of submission of apology letter.** (a) The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender has submitted a letter of apology. Notices shall only be provided to victims who have submitted a written request for notification to the head of the county correctional facility in which the offender is confined, or if committed to the Department of Corrections, submitted a written request for the notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur within 90 days of the filing of the apology letter.

(b) Upon request, the commissioner of corrections or other custodial authority shall notify the Board of Pardons, the Clemency Review Commission, or a court that the offender submitted a letter of apology.

(c) The content of a letter of apology submitted by an offender is private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9, except that the letter may be provided to the intended recipient upon request.

Sec. 5. Minnesota Statutes 2024, section 629.341, subdivision 3, is amended to read:

Subd. 3. **Notice of rights.** The peace officer shall ~~tell~~ orally notify the victim ~~whether a~~ about shelter or other services ~~are~~ available in the community and give the victim immediate written notice of the legal ~~rights and~~ remedies and resources available. The written notice must include ~~furnishing the victim a copy of~~ the following statement:

~~"IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county attorney to file a criminal complaint. You also have the right to go to court and file a petition requesting an order for protection from domestic abuse. The order could include the following:~~

- ~~(1) an order restraining the abuser from further acts of abuse;~~
- ~~(2) an order directing the abuser to leave your household;~~
- ~~(3) an order preventing the abuser from entering your residence, school, business, or place of employment;~~
- ~~(4) an order awarding you or the other parent custody of or parenting time with your minor child or children; or~~
- ~~(5) an order directing the abuser to pay support to you and the minor children if the abuser has a legal obligation to do so."~~

"IF YOU ARE A VICTIM OF DOMESTIC VIOLENCE, you can file a petition with the court for an order for protection and ask that the person responsible for the domestic violence:

- (1) Be restrained from further acts of abuse;
- (2) Leave your household;
- (3) Stay away from your residence, school, business, or place of employment; and

(4) Pay temporary support to you and for the minor child if the person is legally obligated to do so.

In your petition, you can request a custody and parenting time order for a child in common with the person."

The notice must include the ~~resource listing, including telephone number, for the area program that provides~~ statewide domestic abuse help line and contact information for area organizations providing services to victims of domestic abuse as shelter, designated by the Office of Justice Programs in the Department of Public Safety.

Sec. 6. **USE OF EXISTING SUPPLY.**

A law enforcement agency, city attorney's office, or county attorney's office may exhaust existing notices before producing materials with the modifications required under Minnesota Statutes, sections 611A.02, subdivision 2, and 629.341, subdivision 3.

ARTICLE 7

CORRECTIONAL PROVISIONS

Section 1. **[241.76] OPIATE ANTAGONISTS.**

(a) The commissioner must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each state correctional facility to be administered in compliance with section 151.37, subdivision 12.

(b) The commissioner must store an ample number of doses of nasal opiate antagonists throughout each facility so that staff can rapidly respond to opioid overdoses.

(c) The commissioner, in consultation with the commissioner of health, shall provide training to employees of the department on recognizing the symptoms of an opiate overdose and how to administer nasal opiate antagonists.

Sec. 2. Minnesota Statutes 2024, section 241.80, is amended to read:

241.80 AMERICAN INDIAN CULTURAL PROGRAM.

Subdivision 1. **Authority.** The commissioner of corrections shall develop a policy to provide the cultural programming services listed in subdivision 2 to American Indian ~~inmates~~ incarcerated individuals of all juvenile and adult state correctional facilities and community-based correctional programs. The commissioner may, within the limits of available money, contract with appropriate American Indian private, nonprofit organizations to provide the cultural programming services.

Subd. 2. **Cultural programming services.** The policy shall include, but need not be limited to, providing, within the limits of available money, spiritual and cultural programming services having the following purposes:

(1) the teaching of good work habits and the development of motivation through work education and training needed for postincarceration self-sufficiency;

(2) the development of ~~cultural pride to improve~~ strengthened American Indian ~~self-image~~ identity;

~~(3) the development of an understanding of and an adjustment to the cultural differences between American Indians and other ethnic groups;~~

(3) improved understanding of American Indian culture, traditions, and spiritual practices for Department of Corrections staff;

(4) the development of ~~attitudes of mutual trust, respect, and understanding among American Indian family members~~ partnerships with Tribal Nations to address the unique needs of American Indian incarcerated individuals and promote approaches to rehabilitation specific to this population;

~~(5) the fostering of increased availability of ~~medicine men and~~ American Indian spiritual leaders to teach American Indian ~~inmates~~ incarcerated individuals about American Indian history; and~~ cultural sensitivity, and religion and spiritual practices;

~~(6) the involvement of American Indian ~~inmates~~ incarcerated individuals in those aspects of the correctional system that will aid in their rehabilitation; and~~

~~(7) the provision of services to American Indian ~~inmates~~ incarcerated individuals that will facilitate their reentry into the community.~~

Sec. 3. Minnesota Statutes 2024, section 244.18, subdivision 1, is amended to read:

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

(b) "Correctional fees":

(1) effective August 1, ~~2027~~ 2029, means fees charged or contracted for by a probation agency or the commissioner of corrections for court-ordered or community-provided correctional services, including but not limited to drug testing, electronic home monitoring, treatment, and programming; and

(2) effective August 1, 2023, through July 31, ~~2027~~ 2029, include fees for the following correctional services:

(i) community service work placement and supervision;

(ii) restitution collection;

(iii) supervision;

(iv) court-ordered investigations;

(v) any other court-ordered service;

(vi) postprison supervision or other form of release; and

(vii) supervision or other probation-related services provided by a probation agency or by the Department of Corrections for individuals supervised by the commissioner of corrections.

(c) "Probation" has the meaning given in section 609.02, subdivision 15.

(d) "Probation agency" means a probation agency, including a Tribal Nation, organized under section 244.19 or chapter 401.

Sec. 4. Minnesota Statutes 2024, section 244.18, subdivision 7, is amended to read:

Subd. 7. **Annual report.** (a) By January 15 each year, the commissioner must submit an annual report on implementing the commissioner's duties under this section to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over criminal justice funding and policy. At a minimum, the report must include information on the types of correctional services for which fees were imposed, the aggregate amount of fees imposed, and the amount of fees collected.

(b) This subdivision expires August 1, ~~2027~~ 2029.

Sec. 5. Minnesota Statutes 2024, section 244.18, subdivision 9, is amended to read:

Subd. 9. **Sunsetting supervision fees; sunset plan.** (a) By August 1, 2025, each probation agency must provide to the commissioner a written plan for phasing out supervision fees for individuals under the agency's supervision and control, and the commissioner must review and approve the plan by August 1, ~~2027~~ 2029. By August 1, ~~2027~~ 2029, the commissioner must develop a written plan for phasing out supervision fees for individuals under the commissioner's supervision and control.

(b) A copy of an approved plan must be provided to all individuals under the supervision and control of the agency or the commissioner and in a language and manner that each individual can understand.

(c) Supervision fees must not be increased from August 1, 2023, through July 31, ~~2027~~ 2029.

(d) This subdivision expires August 1, ~~2027~~ 2029.

Sec. 6. Minnesota Statutes 2024, section 244.19, subdivision 1c, is amended to read:

Subd. 1c. **Community supervision funding; eligibility for funding formula.** (a) A CPO jurisdiction:

(1) must collaborate with the commissioner to develop a comprehensive plan under section 401.06; and

(2) is subject to all applicable eligibility provisions under chapter 401 necessary to receive a subsidy under section 401.10.

(b) A non-CPO jurisdiction is eligible to receive a subsidy under section 401.10 but is not a Community Corrections Act jurisdiction under chapter 401, ~~and~~ Except as provided under section 401.115, the commissioner:

~~(1) is appropriated the jurisdiction's share of funding under section 401.10 for providing probation services; and.~~

~~(2) may seek reimbursement from the jurisdiction according to subdivision 5a.~~

Sec. 7. Minnesota Statutes 2024, section 244.19, subdivision 1d, is amended to read:

Subd. 1d. **Commissioner of corrections; reimbursing CPO and non-CPO jurisdictions jurisdiction.** As calculated by the community supervision formula under section 401.10, the commissioner must:

~~(1) reimburse a CPO jurisdiction for the cost that the jurisdiction assumes under this section for providing probation services, including supervising juveniles committed to the commissioner of corrections; and.~~

~~(2) reimburse a non-CPO jurisdiction for the commissioner's provision of probation services to the jurisdiction under this section.~~

Sec. 8. Minnesota Statutes 2024, section 244.19, subdivision 5, is amended to read:

Subd. 5. **Commissioner compensation to duties for non-CPO jurisdiction.** (a) For a non-CPO jurisdiction, the commissioner must, ~~out of appropriations provided under subdivision 5a, paragraph (b),~~ pay probation officers the salary and all benefits fixed by the state law or applicable bargaining unit and all necessary expenses, including secretarial service, office equipment and supplies, postage, telephone services, and travel and subsistence.

(b) Except as provided under section 401.115, the commissioner must pay the items under paragraph (a) using appropriations provided under section 401.10.

Sec. 9. Minnesota Statutes 2024, section 244.19, subdivision 5a, is amended to read:

Subd. 5a. **Department of Corrections billing; CPO and non-CPO jurisdiction reimbursement annual reporting.** (a) ~~At least every six months annually, the commissioner must bill for the total cost and expenses incurred by the commissioner on behalf of each non-CPO jurisdiction that has received probation services. The commissioner must notify each CPO and non-CPO jurisdiction of the total cost and expenses; and the jurisdiction must pay to the commissioner the amount due for reimbursement incurred by the commissioner on behalf of each CPO and non-CPO jurisdiction that has received probation services.~~

~~(b) Each CPO and non-CPO jurisdiction must reimburse the Department of Corrections for the total cost and expenses of the probation services as incurred by the commissioner, excluding the cost and expense of services provided under the state's obligation for adult felony supervision in section 244.20. Money received under this paragraph from a non-CPO jurisdiction must be annually appropriated to the commissioner for providing probation services to the jurisdiction.~~

~~(c) Objections by a non-CPO jurisdiction to all allocation of cost and expenses must be presented to and determined by the commissioner.~~

~~(d) In addition to the billing and reimbursement requirements under this section,~~ (b) Invoicing and payments for probation services for a CPO jurisdiction are as provided under sections 401.14 and 401.15.

Sec. 10. Minnesota Statutes 2024, section 244.20, is amended to read:

244.20 PROBATION; FELONY SUPERVISION.

(a) Notwithstanding sections 244.19, subdivisions 1 to 1d, and 609.135, subdivision 1, the Department of Corrections:

(1) has exclusive responsibility for providing probation services for adult felons in counties and Tribal Nations that do not take part in the Community Corrections Act subsidy program under chapter 401; and

(2) to provide felony supervision, retains the county's or Tribal Nation's funding allotted under section 401.10 for providing felony probation services.

(b) Paragraph (a), clause (2), does not apply to a Tribal Nation's subsidy under section 401.115.

Sec. 11. Minnesota Statutes 2024, section 244.41, subdivision 6, is amended to read:

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period ~~during~~ of active supervision ~~of~~ during the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan, and otherwise meets the criteria established by the commissioner of corrections in policy. If an individual earns sufficient earned compliance credits, the commissioner must weigh risk to public safety, including the individual's stability, behavior, or overall adjustment while on supervision before placement on supervision abatement status. Earned compliance credit also applies to a conditional release term.

Sec. 12. Minnesota Statutes 2024, section 244.44, is amended to read:

244.44 APPLYING EARNED INCENTIVE RELEASE CREDIT.

Earned incentive release credits are included in calculating the term of imprisonment but are not added to the person's supervised release term, the total length of which remains unchanged. The maximum amount of earned incentive release credit that can be earned and subtracted from the term of imprisonment is 17 percent of the total executed sentence. Earned credit cannot reduce the term of imprisonment to less than one-half of the incarcerated person's executed sentence. ~~Once earned,~~ Earned incentive release credits are nonrevocable ~~revocable if the person violates rules of the facility where the person is incarcerated or otherwise commits a criminal act while incarcerated.~~

Sec. 13. Minnesota Statutes 2024, section 244.46, subdivision 1, is amended to read:

Subdivision 1. **Adopting policy for earned compliance credit; supervision abatement status.**

(a) The commissioner must adopt a policy providing for earned compliance credit and supervision abatement status, including the circumstances under which an individual may receive earned compliance credits and transition to supervision abatement status.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term or, if applicable, the aggregate length of the supervised release term and conditional release term, the individual is eligible for supervision abatement status. However, the commissioner must not place the individual on supervision abatement status for the remainder of the supervised or conditional release term and, if applicable, the conditional release term if the commissioner determines that doing so would present a risk to public safety, after weighing factors including the individual's stability, behavior, or overall adjustment while on supervision. For individuals with lifetime terms of conditional release, the commissioner shall not place the individual on supervision abatement status unless the time served on active supervision plus earned compliance credits equals at least ten years.

Sec. 14. Minnesota Statutes 2024, section 326.338, subdivision 4, is amended to read:

Subd. 4. **Protective agent.** A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent:

(1) providing guards, private patrol, or other security personnel to protect persons or their property or to prevent the theft, unlawful taking of goods, merchandise, or money, or to prevent the misappropriation or concealment of goods, merchandise, money, or other valuable things, or to procure the return of those things;

(2) physically responding to any alarm signal device, burglar alarm, television camera, still camera, or a mechanical or electronic device installed or used to prevent or detect burglary, theft, shoplifting, pilferage, losses, or other security measures;

(3) providing armored car services for the protection of persons or property;

(4) controlling motor traffic on public streets, roads, and highways for the purpose of escorting a funeral procession and oversized loads;

(5) providing management and control of crowds for the purpose of safety and protection; or

(6) providing guards or other security personnel to transport prisoners or any other person arrested on a warrant, except that this does not apply to the transport or escort of offenders by staff of the Department of Corrections; the transport of a person by the sheriff of a county to the appropriate adult or juvenile correctional facility as designated by the commissioner of corrections or to and from court in connection with postconviction, habeas corpus, or intrastate mandatory disposition of detainers proceedings; the transfer of a person by emergency medical services personnel; or the transfer of a person by a peace officer as defined in section 626.84, subdivision 1, paragraph (c), or employed by a federal law enforcement agency.

A person covered by this subdivision may perform the traffic-control duties in clause (4) in place of a police officer when a special permit is required, provided that the protective agent is first-aid qualified.

Sec. 15. Minnesota Statutes 2024, section 401.03, is amended to read:

401.03 RULEMAKING AUTHORITY; TECHNICAL ASSISTANCE.

(a) The commissioner must, as provided in chapter 14, adopt rules to implement this chapter and provide consultation and technical assistance to counties and Tribal Nations to help them develop comprehensive plans, including abbreviated plans.

(b) The time limit to adopt rules under section 14.125 does not apply.

Sec. 16. Minnesota Statutes 2024, section 401.10, subdivision 1, is amended to read:

Subdivision 1. **Community supervision funding formula.** (a) Beginning July 1, 2023, the community supervision subsidy paid to each county, the commissioner for supervision of non-CCA jurisdictions served by the Department of Corrections, and each applicable Tribal Nation ~~under paragraph (c) providing services as a CCA jurisdiction or CPO jurisdiction as defined in section 244.19, subdivision 1a, paragraph (b), equals the sum of:~~

(1) a base funding amount equal to \$150,000; and

(2) a community supervision formula equal to the sum of:

~~(i) for each individual with a felony sentence, a felony per diem rate of \$5.62 multiplied by the sum of the county's or Tribal Nation's adult felony population, adult supervised release and parole populations, and juvenile supervised release and parole populations as reported in the most recent probation survey published by the commissioner, multiplied by 365; and~~

~~(ii) for each individual sentenced for a gross misdemeanor or misdemeanor or under juvenile probation, the felony per diem rate of \$5.62 multiplied by 0.5 and then multiplied by the sum of the county's or Tribal Nation's gross misdemeanor, misdemeanor, and juvenile populations as reported in the most recent probation survey published by the commissioner, multiplied by 365.~~

(i) for individuals with a felony sentence, the felony per diem rate of \$5.62 shall be multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's adult felony population, adult supervised release population, adult parole population, juvenile supervised release population, and juvenile parole population. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation; and

(ii) for individuals sentenced for a gross misdemeanor, for a misdemeanor, or under juvenile probation, the felony per diem rate of \$5.62 shall be multiplied by 0.5, and then multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's gross misdemeanor population, misdemeanor population, and juvenile probation population. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation.

(b) For a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), the base funding amount must be shared equally between the jurisdiction and the commissioner for the provision of felony supervision under section 244.20.

(c) If in any year the total amount appropriated for the purpose of this section is more than or less than the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations, the sum of each county's and applicable Tribal Nation's base funding plus

community supervision formula funding is adjusted by the ratio of amounts appropriated for this purpose divided by the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations.

(d) If in any year the base funding plus the community supervision formula amount based on what was appropriated in fiscal year 2024 is less than the funding paid to the county in fiscal year 2023, the difference is added to the community supervision formula amount for that county. A county is not eligible for additional funding under this paragraph unless the base funding plus community supervision formula results in an increase in funding for the county based on what was appropriated in the previous fiscal year. This paragraph expires June 30, 2029.

~~(e) For each Tribal Nation, a funding amount of \$250,000 is allotted annually to purchase probation services or probation-related services, including contracted services, but a Tribal Nation that becomes a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under paragraphs (a) to (c) and:~~

~~(1) has the Tribal Nation's funding amount of \$250,000 transferred to the total community supervision subsidy amount appropriated for the purposes of this section; and~~

~~(2) is allotted a base funding amount equal to \$150,000 plus an amount as determined according to the community supervision formula under paragraph (a), clause (2).~~

~~(f)~~ (e) Minnesota Rehabilitation and Reinvestment Act savings under section 244.50, subdivision 4, clause (2), are appropriated to each CCA jurisdiction and non-CCA jurisdiction served by the Department of Corrections by dividing the three-year average of the number of individuals on supervised release and intensive supervised release within the jurisdiction by the three-year average of the total number of individuals under supervised release and intensive supervised release statewide, using the numbers reported annually in the Probation Survey report.

Sec. 17. Minnesota Statutes 2024, section 401.10, is amended by adding a subdivision to read:

Subd. 1a. **Prorating subsidy for Interstate Transfer Unit.** Before disbursing the community supervision subsidy in subdivision 1, the commissioner must prorate the cost of the Interstate Transfer Unit based upon the county's share of the average total probation population over the three most recent years as reported in the probation survey published by the commissioner and deduct that amount from the county's subsidy.

Sec. 18. Minnesota Statutes 2024, section 401.10, subdivision 4, is amended to read:

Subd. 4. **Report.** ~~(a)~~ By January 15, 2025, and every odd-numbered year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy. At a minimum, the report must summarize and contain the following data:

(1) the commissioner's most recent workload study under section 401.17, subdivision 4; and

~~(2) the commissioner's collected caseload data under section 244.21, subdivision 1; and~~

~~(3) (2)~~ projected growth in the community supervision formula calculated by analyzing ~~caseload~~ supervision population trends and data.

~~(b) The report may be made in conjunction with reporting under section 244.21.~~

Sec. 19. Minnesota Statutes 2024, section 401.11, subdivision 1, is amended to read:

Subdivision 1. **Policy items.** (a) Except for an abbreviated comprehensive plan submitted under section 401.115, a comprehensive plan submitted to the commissioner for approval under section 401.06 must include items prescribed by commissioner policy and may include the following:

(1) the manner in which presentence and postsentence investigations and reports for the district courts and social history reports for the juvenile courts will be made;

(2) the manner in which conditional release services to the courts and persons under jurisdiction of the commissioner will be provided;

(3) a program for detaining, supervising, and treating persons under pretrial detention or under commitment;

(4) delivery of other correctional services;

(5) proposals for new programs, which proposals must demonstrate a need for the program, and the program's purpose, objective, administrative structure, staffing pattern, staff training, financing, evaluation process, degree of community involvement, client participation, and duration;

(6) descriptions of programs that adhere to best practices for assessing risk and using interventions that address an individual's needs while tailoring supervision and interventions by using risk, need, and responsivity principles; and

(7) data on expenditures, costs, and programming results and outcomes for individuals under community supervision.

(b) The commissioner must develop in policy budgetary requirements for comprehensive plans to ensure the efficient and accountable expenditure of a county's or Tribal Nation's subsidy for correctional services and programming to produce successful community supervision outcomes.

Sec. 20. **[401.115] NONPARTICIPATING TRIBAL NATIONS.**

Subdivision 1. **Subsidy amount.** A Tribal Nation electing not to provide services as a CCA jurisdiction or a CPO jurisdiction under section 244.19, subdivision 1a, paragraph (b), is eligible for a subsidy of \$250,000 annually to purchase or provide community supervision services or reentry services, including contracted services.

Subd. 2. **Eligibility for subsidy.** (a) A Tribal Nation is eligible to receive funding under subdivision 1 upon submission and approval by the commissioner of an abbreviated comprehensive plan. Section 401.08 does not apply. The abbreviated plan must comply with commissioner-developed standards and, at minimum:

(1) describe the community supervision services or reentry services for which the funding will be utilized;

(2) identify a steering committee to oversee the use of funds; and

(3) provide a budget for those services.

(b) Once approved, the abbreviated comprehensive plan is valid for two years.

Subd. 3. **Paying subsidy.** A Tribal Nation receiving the subsidy under subdivision 1 must be paid according to section 401.14.

Subd. 4. **Eligibility for community supervision funding formula.** A Tribal Nation electing to become a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under section 401.10, subdivision 1, paragraphs (a) to (c), and:

(1) has the Tribal Nation's funding amount under subdivision 1 transferred to the community supervision formula amount appropriated for the purpose of section 401.10;

(2) is allotted a base funding amount equal to \$150,000 plus an amount as determined according to the community supervision formula under section 401.10, subdivision 1, paragraph (a), clause (2); and

(3) is subject to all requirements relating to providing correctional services under section 244.19 and chapter 401.

Sec. 21. Minnesota Statutes 2024, section 401.14, is amended to read:

401.14 PAYING SUBSIDY TO CCA AND NON-CCA JURISDICTIONS.

Subdivision 1. **Payment.** (a) This section does not apply to:

(1) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (d); and

(2) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), for the portion of the subsidy distributed for felony probation services.

(b) After a county or Tribal Nation becomes compliant with the prerequisites for receiving the subsidy and the commissioner approves the applicable comprehensive plan, the commissioner must determine whether funds exist to pay the subsidy and proceed to pay it in accordance with applicable law.

Subd. 2. **Quarterly estimate and remittance.** Based on the approved comprehensive plan, the commissioner may estimate the amount to be expended in furnishing the required correctional services during each calendar quarter and cause the estimated amount to be remitted to the counties and Tribal Nations entitled to the amount as provided under section 401.15, subdivision 1.

Subd. 3. **Installment payments.** The commissioner must:

(1) make payments for correctional services to each county and Tribal Nation in 12 installments per year;

(2) ensure that the pertinent payment of the allotment for each month is made to each county and Tribal Nation on the first working day after the end of each month of the calendar year, except for the last month of the calendar year; and

(3) ensure that each county and Tribal Nation receives its monthly payment allotment no later than the last working day of each month.

Sec. 22. Minnesota Statutes 2024, section 401.15, subdivision 2, is amended to read:

Subd. 2. **Formula review.** The commissioner must ~~annually~~ review the community supervision formula under section 401.10 at the start of each biennium and calculate and prorate the subsidy accordingly.

Sec. 23. Minnesota Statutes 2024, section 401.17, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 19 members as follows:

(1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;

(2) two probation directors appointed by the Minnesota Association of County Probation Officers;

(3) three county commissioner representatives appointed by the Association of Minnesota Counties;

(4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the Department of Human Services and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) two commissioner-appointed representatives from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals ~~who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems~~ with varied experiences in community supervision, reflecting the diversity of the state's supervision frameworks as well as demographic and geographic diversity, appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties;

(9) an advocate for victims of crime appointed by the commissioner; ~~and~~

(10) a representative from a community-based research ~~and~~ or advocacy entity appointed by the commissioner;

(11) two judicial representatives, one from the seven-county metropolitan area and one from greater Minnesota, appointed by the Minnesota Judicial Council;

(12) one prosecutor appointed by the Minnesota County Attorneys Association; and

(13) one defense attorney appointed by the Minnesota State Public Defender.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) Chapter 15 applies to the extent consistent with this section.

(d) The commissioner must convene the first meeting of the committee on or before October 1, 2023.

Sec. 24. Minnesota Statutes 2024, section 401.17, subdivision 5, is amended to read:

Subd. 5. **Data collection; report.** (a) By June 1, 2024, the advisory committee, in consultation with the Minnesota Counties Computer Cooperative, must create a method to (1) standardize data classifications across the three community supervision systems, and (2) collect data for the commissioner to publish in an annual report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy.

(b) The advisory committee's method, at a minimum, must provide for collecting the following data:

(1) the number of individuals sentenced to supervision each year;

(2) the offense levels, offense types, and assessed risk levels for which individuals are sentenced to supervision;

(3) violation and revocation rates and the identified grounds for the violations and revocations, including final disposition of the violation action such as execution of the sentence, imposition of new conditions, or a custodial sanction;

(4) the number of individuals granted early discharge from probation;

(5) the number of individuals restructured on supervision, including imposition of new conditions of release; and

(6) the number of individuals revoked from supervision and the identified grounds for revocation.

(c) Beginning ~~January 15~~ May 1, 2025, as part of the report under section ~~241.21~~ 244.21, subdivision 2, the commissioner must include data collected under the committee method established under this subdivision. The commissioner must analyze the collected data by race, gender, and county, including Tribal Nations.

(d) Nothing in this section overrides the commissioner's authority to require additional data be provided under other law.

Sec. 25. Laws 2023, chapter 52, article 11, section 31, is amended to read:

Sec. 31. MENTAL HEALTH UNIT PILOT PROGRAM.

(a) The commissioner of corrections shall establish a pilot program with interested counties to provide mental health care to individuals with serious and persistent mental illness who are incarcerated in county jails. The pilot program must require the participating counties to pay according to Minnesota Statutes, section 243.51, a per diem for reimbursement of the Mental Health Unit at the Minnesota Correctional Facility - Oak Park Heights, and other costs incurred by the Department of Corrections.

(b) The commissioner in consultation with the Minnesota Sheriffs' Association shall develop program protocols, guidelines, and procedures and qualifications for participating counties and incarcerated individuals to be treated in the Mental Health Unit. The program is limited to a total of five incarcerated individuals from the participating counties at any one time. Incarcerated individuals must ~~volunteer to be treated in the unit and~~ be able to participate in programming with other incarcerated individuals. A licensed mental health professional must evaluate the incarcerated individual and recommend the individual to receive treatment in the unit.

(c) The Minnesota Correctional Facility - Oak Park Heights warden, director of psychology, and associate director of behavioral health, or a designee of each, in consultation with the Minnesota Sheriffs' Association, the Minnesota branch of the National Association on Mental Illness, and the Department of Human Services, shall oversee the pilot program.

~~(d) On November 15, 2024, the warden shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over corrections describing the protocols, guidelines, and procedures for participation in the pilot program by counties and incarcerated individuals, challenges with staffing, cost sharing with counties, capacity of the program, services provided to the incarcerated individuals, program outcomes, concerns regarding the program, and recommendations for the viability of a long-term program.~~

~~(e) (d)~~ The pilot program expires ~~November 16, 2024~~ August 1, 2027.

Sec. 26. REPEALER.

Minnesota Statutes 2024, sections 253.21; and 253.23, are repealed.

ARTICLE 8

COURTS

Section 1. Minnesota Statutes 2024, section 480.243, is amended by adding a subdivision to read:

Subd. 3. **Report to legislature.** The State Board of Civil Legal Aid shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over judiciary on data

related to the cases and individuals and families serviced by each of the grant recipients providing legal services with funds received pursuant to section 480.242. The data shall be provided for each individual organization and, when possible, for each geographic region the organization works in, and provided in the aggregate to protect the privacy of the individuals and families served by the organization. Reports under this section shall be submitted by July 15 each year.

Sec. 2. Minnesota Statutes 2024, section 484.44, is amended to read:

484.44 DEPUTY SHERIFF AND COURT ADMINISTRATOR; ST. LOUIS COUNTY.

There shall be at all times a chief deputy sheriff of St. Louis County and a chief deputy court administrator of the district court of St. Louis County and such other deputies as may be necessary, resident at the city of Virginia, or the city of Ely, or the city of Hibbing, and their appointment shall be made in the same manner as other deputy sheriffs and deputy clerks of the district court in said county. The salaries of such deputies shall be fixed and paid in the same manner as other such deputies. The office of said deputy sheriff at Virginia, Hibbing, and Ely shall not in any sense be considered or deemed the office of the sheriff for any purpose except the performance of duties relating solely to proceedings tried or to be tried at said places; but the office of the deputy court administrator at said places shall be equally deemed the office of the court administrator of court for all purposes ~~except the filing of papers in actions or proceedings to be tried at Duluth~~. Marriage licenses and naturalization papers may be issued by said deputy court administrator.

Sec. 3. Minnesota Statutes 2024, section 484.51, is amended to read:

484.51 PAPERS WHERE FILED; ST. LOUIS COUNTY.

~~After~~ Regardless of the place of trial of any cause is determined, as provided in sections 484.44 to 484.52, all papers, orders and documents pertaining to all causes to be tried at Virginia and filed in court shall be filed and be kept on file at the court administrator's office in the city of Virginia, and all causes to be tried in Hibbing and all papers, orders and documents pertaining thereto shall be filed and be kept on file at the court administrator's office in the city of Hibbing can be filed at any court location in St. Louis County.

In all actions tried at the city of Virginia or the city of Hibbing, the court administrator, as soon as final judgment is entered, shall forthwith cause such judgment to be docketed in the court administrator's office at the county seat; and when so docketed the same shall become a lien on real estate and have the same effect as judgments entered in causes tried at the county seat.

In all actions tried at the city of Virginia or the city of Hibbing, involving the title of real estate, upon final judgment being entered, all the papers in said cause shall be filed in the court administrator's office at the county seat and the final judgment or decree recorded therein, and a certified copy of all papers in the case shall be made by the court administrator and retained at the court administrator's office in the city of Virginia or in the court administrator's office in the city of Hibbing where the action was originally tried, without additional charge to the parties to said action.

Sec. 4. Minnesota Statutes 2024, section 518.68, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Every court order or judgment and decree under this chapter or chapter 518A that provides for child support, spousal maintenance, custody, or parenting time must

contain certain notices as set out in subdivision 2. The information in the notices must be concisely stated in plain language. ~~The notices must be and~~ in clearly legible print, ~~but may not exceed two pages.~~ An order or judgment and decree without the notice remains subject to all statutes. The court may waive all or part of the notice required under subdivision 2 relating to parental rights under section 518.17, subdivision 3, if it finds it is necessary to protect the welfare of a party or child.

Sec. 5. Minnesota Statutes 2024, section 524.5-420, is amended to read:

524.5-420 REPORTS; APPOINTMENT OF VISITOR; MONITORING; COURT ORDERS.

(a) A conservator shall report to the court for administration of the estate annually unless the court otherwise directs, upon resignation or removal, upon termination of the conservatorship, and at other times as the court directs. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. An order, after notice and hearing, allowing an intermediate report of a conservator adjudicates liabilities concerning the matters adequately disclosed in the accounting. An order, after notice and hearing, allowing a final report adjudicates all previously unsettled liabilities relating to the conservatorship.

(b) A report must state or contain a listing of the assets of the estate under the conservator's control and a listing of the receipts, disbursements, and distributions during the reporting period.

(c) The report must also state an address or post office box and a telephone number where the conservator can be contacted.

(d) A conservator shall report to the court in writing within 30 days of the occurrence of any of the events listed in this paragraph. The conservator must report any of the occurrences in this paragraph and follow the same reporting requirements in this paragraph for any employee of the conservator responsible for exercising powers and duties under the conservatorship. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. A conservator shall report when:

(1) the conservator is removed for cause from serving as a guardian or conservator, and if so, the case number and court location;

(2) the conservator has a professional license from an agency listed under section 524.5-118, subdivision 2a, denied, conditioned, suspended, revoked, or canceled, and if so, the licensing agency and license number, and the basis for denial, condition, suspension, revocation, or cancellation of the license;

(3) the conservator is found civilly liable in an action that involves fraud, misrepresentation, material omission, misappropriation, theft, or conversion, and if so, the case number and court location;

(4) the conservator files for or receives protection under the bankruptcy laws, and if so, the case number and court location;

(5) a civil monetary judgment is entered against the conservator, and if so, the case number, court location, and outstanding amount owed;

(6) the conservator is convicted of a crime other than a petty misdemeanor or traffic offense, and if so, the case number and court location; or

(7) an order for protection or harassment restraining order is issued against the conservator, and if so, the case number and court location.

(e) A person subject to conservatorship or an interested person of record with the court may submit to the court a written statement disputing account statements regarding the administration of the estate or addressing any disciplinary or legal action that is contained in the reports and may petition the court for any order that is in the best interests of the person subject to conservatorship and the estate or for other appropriate relief.

(f) An interested person may notify the court in writing that the interested person does not wish to receive copies of reports required under this section after which time neither the court nor any other person is required to give notice to any person who has waived notice.

(g) The court may appoint a visitor to review a report or plan, interview the person subject to conservatorship or conservator, and make any other investigation the court directs. In connection with a report, the court may order a conservator to submit the assets of the estate to an appropriate examination to be made in a manner the court directs.

(h) The court shall establish a system for monitoring of conservatorships, including the filing and review of conservators' reports and plans. If an annual report is not filed within 60 days of the required date, the court shall issue an order to show cause. Unless otherwise ordered by the court, a report under this section shall be filed publicly.

(i) If there is no acting guardian, a conservator that becomes aware of the death of the person subject to conservatorship shall notify in writing; orally; or by phone, text message, email, or electronic service, all known interested persons as defined by section 524.5-102, subdivision 7, clauses (iii), (iv), (v), (vi), (ix), and (xi), and the court as soon as is reasonably practical, that the person subject to conservatorship has died. The conservator may delegate this task under reasonable circumstances.

(j) If a conservator fails to comply with this section, the court may decline to appoint that person as a guardian or conservator, or may remove a person as guardian or conservator.

ARTICLE 9

DATA PRACTICES

Section 1. Minnesota Statutes 2024, section 13.03, subdivision 3, is amended to read:

Subd. 3. **Request for access to data.** (a) Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data.

(b) For purposes of this section, "inspection" includes, but is not limited to, the visual inspection of paper and similar types of government data. Inspection does not include printing copies by the government entity, unless printing a copy is the only method to provide for inspection of the data. In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the government entity, inspection includes remote access to the data by the public and the ability to print copies of or download the data on the public's own computer equipment. Nothing in this section prohibits a government entity from charging a reasonable fee for remote access to data under a specific statutory grant of authority. A government entity may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

(c) The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. However, if 100 or fewer pages of black and white, letter or legal size paper copies are requested, actual costs shall not be used, and instead, the responsible authority may charge no more than 25 cents for each page copied. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

(d) When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the government entity, the responsible authority may charge a reasonable fee for the information in addition to the costs of making and certifying the copies. Any fee charged must be clearly demonstrated by the government entity to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

(e) The responsible authority of a government entity that maintains public government data in a computer storage medium shall provide to any person making a request under this section a copy of any public data contained in that medium, in electronic form, if the government entity can reasonably make the copy or have a copy made. This does not require a government entity to provide the data in an electronic format or program that is different from the format or program in which the data are maintained by the government entity. The entity may require the requesting person to pay the actual cost of providing the copy.

(f) If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

(g) If a responsible authority has notified the requesting person that responsive data or copies are available for inspection or collection, and the requesting person does not inspect the data or collect the copies within five business days of the notification, the responsible authority may suspend any further response to the request until the requesting person inspects the data that has been made available, or collects and pays for the copies that have been produced.

Sec. 2. Minnesota Statutes 2024, section 13.32, subdivision 2, is amended to read:

Subd. 2. **Student health and census data; data on parents.** (a) Health data concerning students, including but not limited to, data concerning immunizations, notations of special physical or mental problems and records of school nurses are educational data. Access by parents to student health data shall be pursuant to section 13.02, subdivision 8.

(b) Pupil census data, including emergency information and family information are educational data.

~~(c) Data concerning parents are private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under subdivision 5 are followed.~~

EFFECTIVE DATE. This section is effective the day following final enactment. Beginning upon the effective date of this section, a parent's personal contact information subject to this section must be treated by an educational agency or institution as private data on individuals regardless of whether that contact information was previously designated as or treated as directory information under Minnesota Statutes, section 13.32, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information; data on parents.** (a) Educational data designated as directory information is public data on individuals to the extent required under federal law. Directory information must be designated pursuant to the provisions of:

(1) this subdivision; and

(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title 34, section 99.37, which were in effect on January 3, 2012.

(b) When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate specified data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

(c) An educational agency or institution may not designate a student's or parent's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student or parent contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

(e) When requested, educational agencies or institutions may share personal student or parent contact information and directory information for students served in special education with postsecondary transition planning and services under section 125A.08, paragraph (b), clause (1), whether public or private, with the Department of Employment and Economic Development, as required for coordination of services to students with disabilities under sections 125A.08, paragraph (b), clause (1); 125A.023; and 125A.027.

(f) Data concerning parents is private data on individuals but may be treated as directory information if the same procedures that are used by a school district to designate student data as directory information under this subdivision are followed, except that a parent's home address, telephone number, email address, or other personal contact information may not be treated as directory information under this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment. Beginning upon the effective date of this section, a parent's personal contact information subject to this section must be treated by an educational agency or institution as private data on individuals regardless of whether that contact information was previously designated as or treated as directory information under Minnesota Statutes, section 13.32, subdivision 2.

Sec. 4. Minnesota Statutes 2024, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the complete terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph

(a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than \$10,000 of public money;

(7) work location; a work telephone number; badge number; work-related continuing education; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the government entity, or arbitrator. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. A disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

(c) The government entity may display a photograph of a current or former employee to a prospective witness as part of the government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers;

(3) members of the Metropolitan Council appointed by the governor under section 473.123, subdivision 3;

~~(3)~~ (4) executive or administrative heads of departments, bureaus, divisions, or institutions within state government; and

~~(4)~~ (5) the following employees:

(i) the chief administrative officer, or the individual acting in an equivalent position, in all political subdivisions;

(ii) individuals required to be identified by a political subdivision pursuant to section 471.701;

(iii) in a city ~~with a population of more than 7,500~~ or a county ~~with a population of more than 5,000~~; managers; chiefs; heads or directors of departments, divisions, bureaus, or boards; and any equivalent position; ~~and~~

(iv) in a school district: business managers; human resource directors; athletic directors whose duties include at least 50 percent of their time spent in administration, personnel, supervision, and evaluation; chief financial officers; directors; individuals defined as superintendents and principals under Minnesota Rules, part 3512.0100; and in a charter school, individuals employed in comparable positions; and

(v) in the Metropolitan Council, a public corporation and political subdivision of the state established under chapter 473: the chair of the Metropolitan Council appointed by the governor; the regional administrator appointed as the principal administrative officer by the Metropolitan Council under section 473.125; the deputy regional administrator; the general counsel appointed by the Metropolitan Council under section 473.123, subdivision 8; the executive heads of divisions, including the general managers and executive directors; the executive head responsible for compliance with Equal Employment Opportunity provisions of federal law; and the chief law enforcement officer of the Metropolitan Transit Police appointed by the regional administrator under section 473.407, subdivision 4.

(f) Data relating to a complaint or charge against an employee identified under paragraph (e), clause ~~(4)~~ (5), are public only if:

(1) the complaint or charge results in disciplinary action or the employee resigns or is terminated from employment while the complaint or charge is pending; or

(2) potential legal claims arising out of the conduct that is the subject of the complaint or charge are released as part of a settlement agreement.

This paragraph and paragraph (e) do not authorize the release of data that are made not public under other law.

Sec. 5. Minnesota Statutes 2024, section 13.825, subdivision 4, is amended to read:

Subd. 4. **Access by data subjects.** (a) For purposes of this chapter, a portable recording system data subject includes the peace officer who collected the data, and any other individual or entity, including any other peace officer, regardless of whether the officer is or can be identified by the recording, whose image or voice is documented in the data.

(b) An individual who is the subject of portable recording system data has access to the data, including data on other individuals who are the subject of the recording. If the individual requests a copy of the recording, data on other individuals who do not consent to its release must be redacted from the copy. The identity and activities of an on-duty peace officer engaged in an investigation or response to an emergency, incident, or request for service may not be redacted, unless the officer's identity is subject to protection under section 13.82, subdivision 17, clause (a).

(c) Notwithstanding section 13.82, subdivision 7, upon request, a person entitled to a report of a collision under section 169.09, subdivision 13, must be provided with copies of unredacted data from all portable recording systems used in the collision investigation, including data on other

individuals who are the subject of the recording. A request must be made in writing and accompanied by the accident report relating to the data. Data provided under this paragraph must only be used to process a claim related to the collision or as evidence in a proceeding related to the collision. The requestor must not disseminate the data or use the data for any other purpose. A requestor who disseminates or uses the data in violation of this paragraph is subject to the remedies and penalties under section 13.08. A law enforcement agency must notify the requestor that the remedies and penalties under section 13.08 apply to a violation of this paragraph. A law enforcement agency may deny a request to provide unredacted portable recording system data under this paragraph if:

(1) the agency determines there is a compelling reason that providing access to the data would interfere with an active investigation;

(2) the data is clearly offensive to common sensibilities; or

(3) the data is classified as not public by other provisions under this chapter.

If a law enforcement agency denies access under clause (1), the agency must provide a prompt, written reason for the denial to the individual who requested the data with a description of the compelling reason and must provide notice that relief may be sought from the district court under section 13.82, subdivision 7. This paragraph does not apply to the Minnesota State Patrol.

Sec. 6. Minnesota Statutes 2024, section 13.991, is amended to read:

13.991 JUDICIAL OFFICIAL DATA; PERSONAL INFORMATION.

(a) Subject to paragraph (b), the personal information of all judicial officials collected, created, or maintained by a government entity is private data on individuals. For purposes of this section, the terms "personal information" and "judicial official" have the meanings given in section 480.40, subdivision 1.

(b) If the responsible authority or government entity violates this chapter, the remedies and penalties under this chapter are available only if the judicial official making a claim previously provided written notification to the responsible authority confirming on a form provided by the Minnesota judicial branch that they are entitled to protection under section 480.40. If the subject of the data is an adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under this chapter are available only if the adult child previously provided written notification to the responsible authority confirming their status as the child of a judicial official. In the case of county records, the form shall be filed with the responsible authority that maintains the personal information for which the judicial officer is seeking protection. A form submitted under this section is private data on individuals. A notice filed under this paragraph expires five years following the date of filing, unless it is renewed prior to the expiration date.

(c) ~~This section shall not apply to~~ Notwithstanding paragraph (a), section 480.50 shall govern personal information contained in: of all judicial officials contained in real property records, as defined in section 480.50, subdivision 1, paragraph (f).

~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(2) Uniform Commercial Code filings and tax liens maintained by the secretary of state; and~~

~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 7. **[144.338] DATA SHARING FOR PATIENT REGISTRIES LIMITED.**

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

(b) "Disability" means any condition or characteristic that renders a person a disabled person. A disabled person is any person who:

(1) has a physical, sensory, or mental impairment which materially limits one or more major life activities;

(2) has a record of such an impairment;

(3) is regarded as having such an impairment; or

(4) has an impairment that is episodic or in remission and would materially limit a major life activity when active.

(c) "Patient registry" means a list, directory, or database of the names, contact information, or other identifying information of individuals who have, had, or are at risk of having a specific disability.

Subd. 2. Dissemination prohibited. (a) Except as specifically authorized or required by state or federal law, a person must not add, share, or disseminate the following data to a patient registry without the individual's informed consent to have the individual's data included on the patient registry:

(1) an individual's name or other data that could reasonably be used to identify an individual;
or

(2) an individual's contact information, including but not limited to a home address, telephone number, or electronic mail addresses.

(b) Nothing in this section prohibits an individual from transmitting the individual's own identifying data to a patient registry.

Subd. 3. Enforcement. The attorney general may enforce this section pursuant to section 8.31, except that the remedies provided by section 8.31, subdivision 3a, do not apply to a violation of this section. A government entity, as defined by section 13.02, subdivision 7a, that violates this section is subject to the remedies and penalties under sections 13.08, 13.085, and 13.09.

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

Sec. 8. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees. The data shall be classified as private data on individuals under chapter 13, the Minnesota Government Data Practices Act. The director may share with the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program (ODMAP), data that identifies where and when an overdose incident happens, fatality status, suspected drug type, naloxone administration, and first responder type. ODMAP may:

(1) allow secure access to the system by authorized users to report information about an overdose incident;

(2) allow secure access to the system by authorized users to view, in near real-time, information about overdose incidents reported;

(3) produce a map in near real-time of the approximate locations of confirmed or suspected overdose incidents reported; and

(4) enable access to overdose incident information that assists in state and local decisions regarding the allocation of public health, public safety, and educational resources for the purposes of monitoring and reporting data related to suspected overdoses.

Sec. 9. Minnesota Statutes 2024, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the end of the last criminal appeal of a subject of an investigation. case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 10. Minnesota Statutes 2024, section 480.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section and section 480.45, the following terms have the meanings given.

(b) "Judicial official" means:

(1) every Minnesota district court judge, senior judge, retired judge, and every judge of the Minnesota Court of Appeals and every active, senior, recalled, or retired federal judge who resides in Minnesota;

(2) a current or retired justice of the Minnesota Supreme Court;

(3) employees of the Minnesota judicial branch;

(4) judicial referees and magistrate judges; and

(5) current and retired judges and current employees of the Office of Administrative Hearings, Department of Human Services Appeals Division, Workers' Compensation Court of Appeals, and Tax Court.

(c) "Personal information" does not include publicly available information. Personal information means:

(1) a residential address of a judicial official;

(2) a residential address of the spouse, domestic partner, or children of a judicial official;

(3) a nonjudicial branch issued telephone number or email address of a judicial official;

(4) the name of any child of a judicial official; and

(5) the name of any child care facility or school that is attended by a child of a judicial official if combined with an assertion that the named facility or school is attended by the child of a judicial official.

(d) "Publicly available information" means information that is lawfully made available through federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a judicial official, or by a person to whom the judicial official has disclosed the information, unless the judicial official has restricted the information to a specific audience.

(e) "Law enforcement support organizations" do not include charitable organizations.

(f) "Real property records" has the meaning given in section 480.50, subdivision 1, paragraph (f).

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 480.40, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) Subdivision 2 ~~does~~ and section 480.50 do not apply to:

(1) the dissemination of personal information if the information is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern;

(2) personal information that the judicial official voluntarily disseminates publicly after August 1, 2024;

(3) the dissemination of personal information made at the request of the judicial official or which is necessary to effectuate the request of a judicial official;

(4) a commercial entity using personal information internally, providing access to businesses under common ownership or affiliated by corporate control, or selling or providing data for a transaction or service requested by or concerning the individual whose personal information is being transferred;

(5) a commercial entity providing publicly available information through real-time or near real-time alert services for health or safety purposes;

(6) a commercial entity engaged in the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, furnisher, or user that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that such activity is regulated by and authorized under the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(7) a consumer reporting agency subject to the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(8) a commercial entity using personal information collected, processed, sold, or disclosed in compliance with the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, section 2721, et seq.;

(9) a commercial entity using personal information to do any of the following: prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute any person responsible for any such action;

(10) a financial institution, affiliate of a financial institution, or data subject to title V of the federal Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.;

(11) a covered entity or business associate for purposes of the federal privacy regulations promulgated under the federal Health Insurance Portability and Accountability Act of 1996, specifically United States Code, title 42, section 1320d-2 note;

(12) insurance and insurance support organizations;

(13) law enforcement agencies or law enforcement support organizations and vendors that provide data support services to law enforcement agencies;

(14) the display of a property address on a real estate or mapping platform when the address is not displayed or disclosed in connection with any ownership or occupancy information or other personal identifying information of a judicial official; and

~~(14)~~ (15) the collection and sale or licensing of covered information incidental to conducting the activities described in clauses (4) to ~~(13)~~; and (14).

~~(15) personal information contained in:~~

- ~~(i) real property records as defined in section 13.045, subdivision 1, clause (5);~~
- ~~(ii) uniform commercial code filings and tax liens maintained by the secretary of state; and~~
- ~~(iii) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

(b) Subdivision 2 does not apply to personal information of judicial officials collected, created, or maintained in real property records.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 480.45, subdivision 2, is amended to read:

Subd. 2. **Removal of personal information; exception.** (a) Upon receipt of an affidavit requesting removal of the personal information of a judicial official that meets the requirements of subdivision 1, the person, business, association, or government entity shall remove the publicly posted personal information within 30 days. If the person, business, association, or government entity fails to remove the publicly posted personal information within 30 days after an affidavit is submitted, the judicial official may file a civil action in a court of competent jurisdiction seeking a court order compelling compliance, including injunctive and declarative relief.

(b) Paragraph (a) shall not apply to personal information contained in: real property records, as defined in section 480.50, subdivision 1, paragraph (f), when disseminated directly by a government entity or when publicly posted or published in a manner required by statute.

- ~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~
- ~~(2) uniform commercial code filings and tax liens maintained by the secretary of state; and~~
- ~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 13. **[480.50] PERSONAL INFORMATION IN REAL PROPERTY RECORDS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1, clause (4).

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Judicial official" has the meaning given in section 480.40, subdivision 1, paragraph (b), except that it does not include: (1) employees of the Minnesota judicial branch, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Tax Court; or (2) judges or employees in the Department of Human Services Appeals Division.

(e) "Personal information" has the meaning given in section 480.40, subdivision 1, paragraph (c).

(f) "Real property records" means any of the following:

(1) real property records as defined in section 13.045, subdivision 1, clause (5);

(2) Uniform Commercial Code filings and tax liens maintained by the Secretary of State; and

(3) any other records maintained by a county recorder or other government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

(g) "Responsible authority" has the meaning given in section 13.02, subdivision 16.

Subd. 2. **Classification of data.** (a) Subject to the provisions of this section, the personal information of all judicial officials collected, created, or maintained in real property records is private data on individuals, as defined in section 13.02, subdivision 12.

(b) If the responsible authority or government entity violates this section, the remedies and penalties under chapter 13 are available only if the judicial official making a claim previously provided a real property notice that complies with subdivision 3. If the subject of the data is the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under chapter 13 are available only if the spouse, domestic partner, or adult child previously provided a notification under subdivision 3 to the responsible authority confirming their status as the spouse, domestic partner, or adult child of a judicial official. In the case of county records, the notification shall be filed with the responsible authority that maintains the personal information for which protection is sought. A notification submitted under this section is private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 3. **Notification.** (a) For the classification in subdivision 2 to apply to personal information in real property records, a judicial official must submit a real property notice in writing to the county recorder in the county where the property identified in the real property notice is located and to the Office of the Secretary of State. To affect real property records maintained by any other government entity, a judicial official must submit a real property notice in writing to the other government entity's responsible authority. If the personal information is that of the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the spouse, domestic partner, or adult child must submit a real property notice. The real property notice is classified as private data on individuals, as defined in section 13.02, subdivision 12. A real property notice must be on a form provided by the judicial branch and must include:

(1) the full legal name of the individual submitting the form;

(2) the last four digits of the individual's Social Security number;

(3) the individual's date of birth;

(4) the individual's telephone number and email;

(5) the residential address of the individual in Minnesota;

(6) the legal description, parcel identification number, and street address, if any, of the real property affected by the notice;

(7) if applicable, the document number and certificate of title number; and

(8) a certification that the individual is a judicial official or the spouse, domestic partner, or adult child of a judicial official that contains the notarized signature of the individual.

(b) A notice submitted by a judicial official employed by the state must include the employer's business address and a verification of current employment signed by the employer's human resources office.

(c) A notice submitted pursuant to this subdivision by a spouse, domestic partner, or adult child of a judicial official not residing with the judicial official must include a notarized verification that the individual is the spouse, domestic partner, or adult child of a judicial official.

(d) Only one parcel of real property may be included in each notice, but an individual may submit more than one notice. A government entity may require an individual to provide additional information necessary to identify the records or the real property described in the notice. An individual submitting a notice must submit a new real property notice if their legal name changes.

Subd. 4. **Access to real property records.** (a) If an individual submits a notice under subdivision 3, the county recorder or other government entity must not disclose the individual's personal information in conjunction with the property identified in the written notice, unless:

(1) the individual has consented to sharing or dissemination of the personal information for the purpose identified in a writing signed by the individual and acknowledged by a notary public;

(2) the personal information is subject to dissemination pursuant to a court order under section 13.03, subdivision 6;

(3) the personal information is shared with a government entity for the purpose of administering assessment and taxation laws;

(4) the personal information is disseminated pursuant to subdivision 5; or

(5) the personal information is shared with the examiner of titles or deputy examiner as necessary to perform their statutory duties under chapters 508 and 508A, including the dissemination of personal information in Reports of Examiner.

(b) This subdivision does not prevent the county recorder from returning original documents to the person who submitted the documents for recording. Each county recorder shall establish procedures for recording documents to comply with this subdivision. These procedures may include masking personal information and making documents or certificates of title containing the personal information private and not viewable except as allowed by this paragraph. The procedure must comply with the requirements of chapters 386, 507, 508, and 508A, and other laws as appropriate, to the extent these requirements do not conflict with this section. The procedures must provide public notice of the existence of recorded documents and certificates of title that are not publicly viewable and the provisions for viewing them under this subdivision. Notice that a document or certificate is

private and viewable only under this subdivision or subdivision 5 is deemed constructive notice of the document or certificate.

(c) A real property notice submitted under subdivision 3 shall apply retroactively to all online and digital real property records, but only to the extent the individual submitting the notice provides: (1) for county recorder records, the document number or certificate of title number of each record for which protection is sought, except digitized or scanned tract pages and books; and (2) for other government entity real property records, the parcel identification number of each record for which protection is sought. Otherwise, paragraph (a) applies only to the real property records recorded or filed concurrently with the real property notice specified in subdivision 3 and to real property records affecting the same real property recorded subsequent to the county recorder or other government entity's receipt of the real property notice.

(d) The county recorder or other government entity shall have 60 days from the date of receipt of a real property notice under subdivision 3 to process the request. If the individual cites exigent circumstances, the county recorder or other government entity shall process the request as soon as practicable.

(e) The prohibition on disclosure in paragraph (a) continues until:

(1) the individual has consented to the termination of the real property notice in a writing signed by the individual and acknowledged by a notary public;

(2) the real property notice is terminated pursuant to a court order;

(3) the individual no longer holds a record interest in the real property identified in the real property notice;

(4) the individual is deceased and a certified copy of the death certificate has been filed with the county recorder or other government entity to which a notice was given under subdivision 3; or

(5) the individual who filed a real property notice pursuant to subdivision 3 no longer qualifies for protection under this section because they are no longer a judicial official or the spouse, domestic partner, or adult child of a judicial official. If the individual no longer qualifies for protection under this section, the individual must notify each county recorder or other government entity to which a notice under subdivision 3 was given within 90 days after the individual no longer qualifies for protection.

(f) Upon termination of the prohibition of disclosure, the county recorder shall make publicly viewable all documents and certificates of title that were previously partially or wholly private and not viewable pursuant to a notice filed under subdivision 3.

Subd. 5. Access to personal information in real property records; title examination. (a) Upon request, the individual who submitted the real property notice under subdivision 3 shall verify that the individual's real property is the property subject to a bona fide title exam.

(b) The county recorder or other government entity shall provide the unredacted real property records of an individual who submitted a real property notice under subdivision 3 upon request of any of the following persons:

(1) a licensed title insurance company representative, a licensed title insurance agent, a licensed abstractor, or an attorney licensed to practice law in Minnesota;

(2) a mortgage loan originator;

(3) a real estate broker or a real estate salesperson; and

(4) an individual or entity that has made or received an offer for the purchase of real property to or from an individual who submitted a real property notice under subdivision 3 whose address is subject to nondisclosure, provided the request is accompanied by a written consent from the individual.

(c) A request made under paragraph (a) or (b) must be made on a notarized form and include:

(1) the full legal name, title, address, and place of employment, if applicable, of the person requesting the real property records;

(2) the lawful purpose for requesting the real property records;

(3) the requestor's relationship, if any, to the individual who submitted a real property notice under subdivision 3;

(4) the legal description of the property subject to the title examination; and

(5) proof of the requestor's licensure.

(d) Personal information provided under this subdivision may be used only for the purposes authorized in this subdivision or the lawful purposes set forth in the request for disclosure form and may not be further disseminated to any other person. A person receiving private data under this subdivision shall establish procedures to protect the data from further dissemination unless further dissemination is required by law. However, the dissemination of personal information in real property records by a licensed attorney or any employees in the office of the licensed attorney is permitted when reasonably necessary for the provision of legal services.

Subd. 6. **Service fees to county recorder or other government entity.** The county recorder or any other government entity is authorized to charge the following service fees:

(1) up to \$75 for each real property notice under subdivision 3;

(2) up to \$75 for each consent submitted under subdivision 4, paragraph (a), clause (1), and subdivision 4, paragraph (e), clause (1); and

(3) up to \$75 for each request submitted under subdivision 5.

These service fees shall not be considered county recorder fees under section 357.18 or registrar of titles fees under section 508.82 or 508A.82 and shall be deposited into the county recorder or other government entity's general fund.

EFFECTIVE DATE. This section is effective January 1, 2026.

ARTICLE 10**MORTGAGE FORECLOSURE**

Section 1. Minnesota Statutes 2024, section 272.45, is amended to read:

272.45 TAXES PAID BY TENANT, OCCUPANT, OR OTHER PERSON BECOME LIEN, UPON NOTICE FILED WITH COUNTY RECORDER OR REGISTRAR OF TITLES.

When any past due or delinquent tax on land is paid by any occupant, tenant, or person with ~~an~~ a legal or equitable interest in the land other than a lien, or a person acting on that person's behalf, which, by agreement or otherwise, ought to have been paid by the owner, lessor, or other party in interest, such occupant, tenant, or person may recover by action the amount which such owner, lessor, or party in interest ought to have paid, with interest thereon at the rate of 12 percent per annum, or may retain the same from any rent due or accruing from the person to such owner or lessor for land on which such tax is so paid. A person making a payment under this section may file with the county recorder or registrar of titles of the proper county a ~~notice~~ sworn statement stating the amount and date of such payment, with a copy of the receipt attached, and stating the legal or equitable interest claimed in the land, with a description of the land against which the taxes were charged; and the same shall thereupon be a lien as of the date of recording of the sworn statement upon such land in favor of the person paying the same until the same is paid. The county recorder shall record such ~~notice~~ sworn statement in the indices maintained by the county recorder. The registrar of titles shall record the ~~notice~~ sworn statement on the certificate of title for the land. Upon the payment of any such lien, the person filing such ~~notice~~ sworn statement shall satisfy the same of record.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 3. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's

redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 4. Minnesota Statutes 2024, section 580.10, is amended to read:

580.10 SURPLUS.

Subdivision 1. **Demand for surplus.** In all cases not provided for in section 580.09, and except as required by subdivision 3, if, after sale of any real estate, made as herein prescribed, there remains in the hands of the officer making the sale any surplus money, after satisfying the mortgage, with interest, taxes paid, and costs of sale, the surplus shall be paid over by such officer, on demand, to the mortgagor, the mortgagor's legal representatives or assigns. Any surplus of \$100 or greater shall be held by the sheriff for the duration of the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and if requested by the owner, applied toward a redemption as described in subdivision 3. If there is no redemption under section 580.23 or 582.032, a surplus of \$100 or greater shall be paid first to junior creditors with liens of record at the time of the sheriff's sale in order of priority, if demanded by a junior creditor within the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and thereafter to the owner of record at the time of the sheriff's sale, or as provided by court order under section 580.28. A demand by a party other than the owner shall be accompanied by an affidavit stating the amount remaining unpaid and the interest creating a right to the surplus.

Subd. 2. **Notice of surplus.** When there is a surplus of \$100 or greater, the sheriff shall notify the owner by mail sent to the property address, or, if no street address is assigned for the property on the property tax statement, to the taxpayer's address on the property tax statement, that a surplus exists and to call the sheriff's office for more information about the surplus and how to make a claim to the surplus. The notice shall also include contact information for the Minnesota Homeownership Center and a statement to call the Minnesota Homeownership Center for information about redemption and surplus.

Subd. 3. **Request by owner to have surplus applied.** At any time during the owner's redemption period, the owner of record at the time of the sheriff's sale may submit a written request to the sheriff

to have the surplus applied to the redemption amount. The right to have the surplus applied to the redemption amount is not transferable to any subsequent owner.

Subd. 4. **Surplus less than \$100.** If a surplus remains under \$100, the sheriff may pay the surplus amount to the owner of record at the time of the sheriff's sale.

Subd. 5. **Resolution of competing claims.** If there are competing claims or if it appears to the sheriff that any claim is not meritorious, the sheriff may apply to the court in the county in which the sale was made and set forth by petition the facts then known to the sheriff, and the names and addresses of the owner and all known claimants to the surplus, at no cost to the sheriff. The sheriff shall retain the surplus until further order of the court under section 580.28. If a hearing is scheduled, the sheriff may participate in an advisory capacity. The sheriff shall be represented by the county attorney. The sheriff shall give notice of the opening of the court file to the holders of the claims by service of the petition in the manner of a summons under the Rules of Civil Procedure. Failure of an owner to participate in the court action does not waive the right of that owner to the surplus.

Sec. 5. Minnesota Statutes 2024, section 580.225, is amended to read:

580.225 SATISFACTION OF ~~JUDGMENT~~ MORTGAGE.

The amount received from foreclosure sale under this chapter is full satisfaction of the mortgage debt, except as provided in section 582.30.

Sec. 6. Minnesota Statutes 2024, section 580.24, is amended to read:

580.24 REDEMPTION BY CREDITOR.

(a) If no redemption is made by the mortgagor, the mortgagor's personal representatives or assigns, the most senior creditor having a legal or equitable lien upon the mortgaged premises, or some part of it, subsequent to the foreclosed mortgage, may redeem within ~~seven~~ 14 days after the expiration of the redemption period determined under section 580.23 or 582.032, whichever is applicable; and each subsequent creditor having a lien may redeem, in the order of priority of their respective liens, within ~~seven~~ 14 days after the time allowed the prior lienholder by paying the amount required under this section. However, no creditor is entitled to redeem unless, one week or more prior to the expiration of the period allowed for redemption by the mortgagor, the creditor:

(1) records with each county recorder and registrar of titles where the foreclosed mortgage is recorded a notice of the creditor's intention to redeem;

(2) records with each county recorder and registrar of titles where the notice of the creditor's intention to redeem is recorded all documents necessary to create the lien on the mortgaged premises and to evidence the creditor's ownership of the lien, including a copy of any money judgment necessary to create the lien; and

(3) after complying with clauses (1) and (2), delivers to the sheriff who conducted the foreclosure sale or the sheriff's successor in office a copy of each of the documents required to be recorded under clauses (1) and (2), with the office, date and time of filing for record stated on the first page of each document.

The sheriff shall maintain for public inspection all documents delivered to the sheriff and shall note the date of delivery on each document. The sheriff may charge a fee of \$100 for the documents delivered to the sheriff relating to each lien. The sheriff shall maintain copies of documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

(b) Saturdays, Sundays, legal holidays, and the first day following the expiration of the prior redemption period must be included in computing the ~~seven-day~~ 14-day redemption period. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day must be omitted from the computation. The order of redemption by judgment creditors subsequent to the foreclosed mortgage shall be determined by the order in which their judgments were entered as memorials on the certificate of title for the foreclosed premises or docketed in the office of the district court administrator if the property is not registered under chapter 508 or 508A, regardless of the homestead status of the property. All mechanic's lienholders who have coordinate liens shall have one combined ~~seven-day~~ 14-day period to redeem.

(c) The amount required to redeem from the holder of the sheriff's certificate of sale is the amount required under section 580.23. The amount required to redeem from a person creditor holding a certificate of redemption is:

(1) the amount paid to redeem as shown on the certificate of redemption; plus

(2) interest on that amount to the date of redemption at the rates stated on the certificate of sale and the affidavit provided by section 580.25, clause (3), or six percent if no rate is otherwise stated; plus

(3) the amount claimed due on the person's creditor's lien, as shown on the affidavit under section 580.25, clause (3).

(d) If the sheriff determines there is a dispute or question of validity about a redemption, the sheriff may accept the amount required to redeem, together with documents in support of the redemption, from one or more creditors competing for or claiming a right to redeem, without executing and delivering a certificate of redemption, and the sheriff may commence an action under section 580.28 at no cost to the sheriff. A creditor subject to a dispute or question of validity about a redemption may submit the matter for adjudication of the court under section 580.28. If the sheriff does not execute and deliver a certificate of redemption under this section, all further junior creditor redemption periods are stayed until determined by the court, and all junior creditors who have recorded notices of intent to redeem should be included in the action under section 580.28. The amount required to redeem may be paid to the holder of the sheriff's certificate of sale or the certificate of redemption, as the case may be, or to the sheriff for the holder.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 580.25, is amended to read:

580.25 CREDITOR REDEMPTION, HOW MADE.

Redemption shall be made as provided in this section.

The person creditor desiring to redeem shall pay the amount required by law for the redemption, and shall produce to the person or officer receiving the redemption payment:

(1) a copy of the docket of the judgment, or of the recorded deed or mortgage, or of the record or files evidencing any other lien under which the person creditor claims a right to redeem;

(2) a copy of any recorded assignment necessary to evidence the person's creditor's ownership of the lien. If the redemption is under an assignment of a judgment, the assignment shall be filed in the court entering the judgment, as provided by law, and the person creditor so redeeming shall produce a copy of it and of the record of its filing, and the copy of the docket shall show that the proper entry was made upon the docket. No further evidence of the assignment of the judgment is required unless the mortgaged premises or part of it is registered property, in which case the judgment and all assignments of the judgment must be entered as a memorial upon the certificate of title to the mortgaged premises and a copy of the judgment and each assignment with the certificate of record endorsed on it must be produced; and

(3) an affidavit of the person creditor or the person's creditor's agent, ~~showing the amount then actually claimed due on the person's~~ identifying the lien and required to be paid on the lien in order to redeem from the person under which the creditor claims a right to redeem and stating the amount then actually claimed due and owing on the lien and stating the interest rate on the lien. Additional fees and charges may be claimed due only as provided in section 582.03. The sheriff receiving the affidavit may furnish a copy of the affidavit to any interested party, upon request.

If redemption is made to the sheriff, the sheriff may charge a fee of \$250 for issuing the certificate of redemption and any related service. No other fee may be charged by the sheriff for a redemption.

Within 24 hours after a redemption is made, or as soon as reasonably possible, the person redeeming shall cause the documents so required to be produced to be recorded with the county recorder, or registrar of titles, or both when appropriate, who may receive fees as prescribed in section 357.18 or 508.82. If the redemption is made at any place other than the county seat, it is sufficient forthwith to deposit the documents in the nearest post office, addressed to the recorder or registrar of titles, with the postage prepaid within 24 hours after redemption is made or as soon as reasonably possible. A person recording documents produced for redemption shall, on the same day, deliver copies of the documents to the sheriff for public inspection. The sheriff may receive a fee of \$20 for the documents delivered following a redemption. The sheriff shall note the date of delivery on the documents and shall maintain for public inspection all documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 580.26, is amended to read:

580.26 CERTIFICATE OF REDEMPTION; RECORD.

The person or officer from whom such redemption is made shall make and deliver to the person redeeming a certificate executed and acknowledged in the same manner as a conveyance, containing:

(1) if redeemed under section 580.23 or 582.032, the name of the person mortgagor or the mortgagor's legal representative or assignee redeeming, and if redeemed under section 580.25, the name of the creditor redeeming, and the amount paid by the person on such redemption to redeem;

(2) a description of the sale for which such redemption is made, and of the property redeemed;

(3) a statement of the claim upon which such redemption is made and, if upon a lien, the amount claimed to be due thereon at the date of redemption.

If redemption is made by the owner of the property sold, the owner's heirs, personal representatives, or assigns, such certificate shall be recorded within ~~four days~~ one week after the expiration of the period allowed by law to the owner for redemption and, if made by a creditor holding a lien, the certificate shall be recorded within ~~four days~~ one week after such redemption. Unless so recorded, the certificate shall be void ~~as~~ only against any person in good faith redeeming from the same person or lien.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 580.28, is amended to read:

580.28 ACTION TO SET ASIDE MORTGAGE; FORECLOSURE; REDEMPTION.

When an action is brought wherein it is claimed that any mortgage as to the plaintiff or person for whose benefit the action is brought is fraudulent or void, or has been paid or discharged, in whole or in part, or the relative priority or the validity of liens, redemption rights, or rights to any surplus is disputed, if such mortgage has been foreclosed by advertisement, and the time for redemption from the foreclosure sale will expire before final judgment in such action, the plaintiff or beneficiary having the right to redeem, for the purpose of saving such right in case the action fails, may deposit with the sheriff before the time of redemption expires the amount for which the mortgaged premises were sold, with interest thereon to the time of deposit, together with a ~~bond to the holder of the sheriff's certificate of sale, in an amount and with sureties to be approved by the sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit if the action fail~~ separate deposit with the sheriff of one year's interest on the amount deposited. The person shall, in writing, notify such sheriff that ~~the person claims the mortgage to be fraudulent or void, or to have been paid or discharged, in whole or in part, as the case may be, and that~~ such action is pending, and direct the sheriff to retain such money ~~and bond~~ until final judgment or other order of the court. ~~In case such action fails~~ If so ordered by the court, such deposit shall operate as a redemption of the premises from such foreclosure sale, and entitle the plaintiff to a certificate thereof. Such foreclosure, deposit, ~~bond,~~ and notice shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the foreclosure sale, and the rights of the parties to the moneys ~~and bond~~ so deposited, which shall be paid and delivered by the sheriff as directed by such judgment upon delivery to the sheriff of a certified copy thereof. The remedy herein provided shall be in addition to other remedies now existing.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 11. Minnesota Statutes 2024, section 582.03, subdivision 1, is amended to read:

Subdivision 1. **Allowable costs collectable upon redemption.** The holder of any sheriff's certificate of sale, from a foreclosure by advertisement or action of a mortgage or lien or execution, or the holder of any certificate of redemption as a junior creditor during the period of redemption, may pay and claim the following on redemption: any taxes or assessments on which any penalty would otherwise accrue, and any costs of a hazard insurance policy for the holder's interest in the mortgaged premises incurred for the period of holding the sheriff's certificate, any costs incurred when an order to reduce a mortgagor's redemption period under section 582.032 is entered, including costs and disbursements awarded under section 582.032, subdivision 9, any fees paid to the county recorder, registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not to exceed one-half of the amount authorized by section 582.01, any costs incurred under section 582.031, and any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed in default or that becomes due during the period of redemption. In all such cases, the costs so paid and claimed due, with interest from the date of payment at the rate stated in the certificate of sale or at six percent if no rate is stated, shall be a part of the sum required to be paid to redeem from such sale. No other costs, fees, interest, or other amount may be added to the amount necessary to redeem.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 582.03, subdivision 2, is amended to read:

Subd. 2. **Affidavit of allowable costs.** Any payments made and claimed due under subdivision 1 shall be proved by the affidavit of the holder of the sheriff's certificate or its agent or attorney, itemizing each of the allowable costs and the date of payment and describing the premises. The affidavit must be filed with the sheriff of the county in which the sale was held at any time prior to expiration of the mortgagor's redemption period. Upon written request by the sheriff, the holder of the sheriff's certificate or certificate of redemption shall provide an affidavit of allowable costs to the sheriff within seven days of the date of the request by the sheriff. If the mortgagor does not redeem within seven days after the affidavit is filed, the holder of the sheriff's certificate may file a supplemental affidavit if additional allowable costs are incurred during the redemption period. If the holder of the sheriff's certificate or certificate of redemption fails to respond to the sheriff's request within seven days, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. If the time allowed to redeem is less than seven days from the expiration of the redemption period, the sheriff shall make a

reasonable effort to request the affidavit of allowable costs in writing from the holder of the sheriff's certificate, its agent, or attorney before issuing a certificate of redemption. If the affidavit of allowable costs is not provided more than one business day before the expiration of the redemption period, at any time one business day or less before the expiration of the redemption period, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. The amount calculated by the sheriff, absent malfeasance by the sheriff, binds the holder of the sheriff's certificate even if the amount calculated by the sheriff is less than the actual amount due.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 582.043, subdivision 6, is amended to read:

Subd. 6. **Dual tracking.** (a) If the servicer has received a loss mitigation application and the subject mortgage loan has not already been referred to an attorney for foreclosure, a servicer shall not refer the subject mortgage loan to an attorney for foreclosure while the mortgagor's application is pending, unless:

(1) the servicer determines that the mortgagor is not eligible for any loss mitigation option, the servicer informs the mortgagor of the determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines the loss mitigation offer in writing.

(b) If the servicer receives a loss mitigation application after the subject mortgage loan has been referred to an attorney for foreclosure, but before a foreclosure sale has been scheduled, a servicer shall not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(c) If the servicer receives a loss mitigation application after the foreclosure sale has been scheduled, but before midnight of the seventh business day prior to the foreclosure sale date, the servicer must halt the foreclosure sale and evaluate the application. If required to halt the foreclosure sale and evaluate the application, the servicer may cancel the foreclosure sale or postpone the foreclosure sale under section 580.07, subdivision 1, but must not move for an order of foreclosure,

seek a foreclosure judgment, or conduct a foreclosure sale unless 60 days have passed since the occurrence of one of the following, whichever is applicable:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(d) A servicer shall not move for an order of foreclosure or conduct a foreclosure sale under any of the following circumstances:

(1) the mortgagor is in compliance with the terms of a trial or permanent loan modification, or other loss mitigation option; or

(2) a short sale has been approved by all necessary parties and proof of funds or financing has been provided to the servicer.

ARTICLE 11

CIVIL LAW

Section 1. Minnesota Statutes 2024, section 144.223, is amended to read:

144.223 REPORT OF MARRIAGE.

Data relating to the number of certificates of marriage registered ~~shall~~ must be reported to the state registrar by the local registrar or designee of the county board in each of the 87 registration districts ~~pursuant to the rules of the commissioner. The information in clause (1) necessary to compile the report shall be furnished by the applicant prior to the issuance of the marriage license. The report shall contain the following:~~ in a format and with the frequency determined by the state registrar.

~~(1) personal information on bride and groom:~~

~~(i) name;~~

~~(ii) residence;~~

~~(iii) date and place of birth;~~

~~(iv) if previously married, how terminated; and~~

~~(v) signature of applicant, date signed, and Social Security number; and~~

~~(2) information concerning the marriage:~~

~~(i) date of marriage;~~

~~(ii) place of marriage; and~~

~~(iii) civil or religious ceremony.~~

Sec. 2. Minnesota Statutes 2024, section 260C.419, subdivision 2, is amended to read:

Subd. 2. **Statewide Office of Appellate Counsel and Training; establishment.** (a) The Statewide Office of Appellate Counsel and Training is ~~established as an independent state office~~ created as an agency in the executive branch, with powers and duties established by law. The office shall be responsible for:

(1) establishing and maintaining a system for providing appellate representation to parents in juvenile protection matters, as provided in section 260C.163, subdivision 3, paragraph (c), and in Tribal court jurisdictions;

(2) providing training to all parent attorneys practicing in the state on topics relevant to their practice and establishing practice standards and training requirements for parent attorneys practicing in the state; and

(3) collaborating with the Minnesota Department of Children, Youth, and Families to coordinate and secure federal Title IV-E support for counties and Tribes interested in accessing federal funding.

(b) The office shall be governed by a board as provided in subdivision 3.

Sec. 3. Minnesota Statutes 2024, section 260C.419, subdivision 3, is amended to read:

Subd. 3. **State Board of Appellate Counsel and Training; structure; membership.** (a) The State Board of Appellate Counsel and Training is established to direct the Statewide Office of Appellate Counsel and Training. The board shall consist of seven members, including:

(1) four public members appointed by the governor; and

(2) three members appointed by the supreme court, at least one of whom must have experience representing parents in juvenile court and who include two attorneys admitted to practice law in the state and one public member.

(b) The appointing authorities may not appoint any of the following to be a member of the board:

(1) a person who is a judge;

(2) a person who is a registered lobbyist;

(3) a person serving as a guardian ad litem or counsel for a guardian ad litem;

(4) a person who serves as counsel for children in juvenile court;

(5) a person under contract with or employed by the Department of Children, Youth, and Families or a county department of human or social services; or

(6) a current city or county attorney or assistant city or county attorney.

(c) All members shall demonstrate an interest in maintaining a high quality, independent appellate defense system for parents in juvenile protection proceedings who are unable to obtain adequate representation, a robust program for parent attorneys in Minnesota, and an efficient coordination effort, in collaboration with the Department of Children, Youth, and Families, to secure and utilize Title IV-E funding. At least one member of the board appointed by the governor must be a representative from a federally recognized Indian Tribe. No more than five members of the board may belong to the same political party. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. To the extent practicable, the membership of the board must include persons with disabilities, reflect the ethnic diversity of the state, take into consideration race and gender, and include persons from throughout the state. The members shall be well acquainted with representing parents in district court and appellate proceedings related to child protection matters as well as the law that affects a parent attorney's work, including chapter 260C, the Rules of Juvenile Protection Procedure, the Rules of Civil Appellate Procedure, the Indian Child Welfare Act, and the Minnesota Indian Family Preservation Act. The terms, compensation, and removal of members shall be as provided in section 15.0575. The governor shall designate one member to serve as the initial chair. Upon the expiration of the initial chair's term, board members shall elect a chair from among the membership and the chair shall serve a term of two years.

Sec. 4. Minnesota Statutes 2024, section 260C.419, subdivision 4, is amended to read:

Subd. 4. **Head appellate counsel for parents; assistant ~~and contracted~~ attorneys; other employees.** (a) Beginning January 1, 2024, and for every four years after that date, the board shall appoint a head appellate counsel in charge of executing the responsibilities of the office who shall provide for sufficient appellate counsel for parents and other personnel necessary to discharge the functions of the office. The head appellate counsel shall serve a four-year term and may be removed only for cause upon the order of the board. The head appellate counsel shall be a full-time ~~qualified~~ attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies of the office shall be filled by the appointing authority for the unexpired term. The head appellate counsel shall devote full time to the performance of duties and shall not engage in the general practice of law. The compensation salary of the head appellate counsel shall be set by the board and shall be commensurate with county attorneys in the state according to section 43A.18, subdivision 3.

(b) ~~Consistent with the decisions of the board,~~ The head appellate counsel shall employ ~~assistants or hire independent contractors~~ or appoint attorneys to serve as assistant appellate counsel for parents. Each assistant appellate counsel ~~and independent contractor~~ serves at the pleasure of the head appellate counsel. ~~The compensation of salary ranges for assistant appellate counsel and independent contractors shall be set by the board and shall be commensurate with county attorneys in the state in consultation with Minnesota Management and Budget.~~

(c) A person serving as appellate counsel shall be ~~a qualified~~ an attorney licensed to practice law in this state. A person serving as appellate counsel practicing in Tribal court shall be a licensed attorney qualified to practice law in Tribal courts in the state. Assistant appellate counsel and contracted appellate counsel may engage in the general practice of law where not employed or contracted to provide services on a full-time basis.

(d) The head appellate counsel shall, consistent with the responsibilities under subdivision 2, employ or hire the following:

(1) one managing appellate attorney;

(2) two staff attorneys;

(3) one director of training;

(4) one program administrator to support Title IV-E reimbursement in collaboration with the Department of Children, Youth, and Families; and

(5) one office administrator.

(e) ~~Each employee~~ All attorneys identified in paragraph (d) ~~serves~~ serve at the pleasure of the head appellate counsel. ~~The Other employees shall serve in the classified service. Compensation of each employee for all employees shall be set by the board and shall be commensurate with county attorneys in the state. in accordance with the collective bargaining agreements or compensation plans covering the terms and conditions for executive branch employees.~~

(f) Any person serving as managing appellate attorney, staff attorney, and director of training shall be a qualified attorney licensed to practice law in the state.

(g) A person serving as the program administrator and office administrator must be chosen solely on the basis of training, experience, and qualifications.

Sec. 5. Minnesota Statutes 2024, section 480.35, is amended by adding a subdivision to read:

Subd. 8. **Annual report to the legislature.** By January 15 of each year, the State Guardian ad Litem Board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over judiciary finance, in compliance with sections 3.195 and 3.197. The report must not contain data on individuals but may contain summary data, as those terms are defined in section 13.02. The report must include the number of:

(1) board personnel, including volunteers;

(2) children served by guardians ad litem in court cases, including Native American children in Minnesota Indian Family Preservation Act cases and federal Indian Child Welfare Act cases;

(3) court reports filed by guardians ad litem;

(4) cases assigned;

(5) hours worked;

(6) complaints regarding a guardian submitted to the board;

(7) investigations of complaints performed by the board; and

(8) complaints that result in discipline to a guardian ad litem.

All information in clauses (1) to (8) must be disaggregated by paid staff and volunteers.

Sec. 6. Minnesota Statutes 2024, section 517.04, is amended to read:

517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and ~~is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, the residential school superintendent of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, a licensed or ordained minister of any religious denomination, an individual who registers as a civil marriage officiant with a local registrar in a county of this state, or by any mode recognized in section 517.18.~~ For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48. The county where the civil marriage officiant is registered must be endorsed upon and recorded with each certificate of civil marriage.

Sec. 7. Minnesota Statutes 2024, section 517.08, subdivision 1a, is amended to read:

Subd. 1a. **Form.** Application for a civil marriage license shall be made by both of the parties upon a form provided for the purpose and shall contain the following information:

(1) the full names of the parties ~~and the sex of each party;~~

(2) their post office addresses and county and state of residence;

(3) their full ages and dates of birth;

(4) if either party has previously been married, the party's married name, ~~and from the most recent marriage;~~ the date, place, and court in which the civil marriage was dissolved or annulled; or the date and place of death of the former spouse;

(5) whether the parties are related to each other, and, if so, their relationship;

(6) the address of the parties after the civil marriage is entered into to which the local registrar shall send a certified copy of the civil marriage certificate;

(7) the full names the parties will have after the civil marriage is entered into and the parties' Social Security numbers. The Social Security numbers must be collected for the application but must not appear on the civil marriage license. If a party listed on a civil marriage application does not have a Social Security number, the party must certify on the application, or a supplement to the application, that the party does not have a Social Security number;

(8) if one party to the civil marriage license has a felony conviction under Minnesota law or the law of another state or federal jurisdiction, the party may not change the party's name through the marriage application process and must follow the process in section 259.13 to change the party's name; and

(9) notice that a party who has a felony conviction under Minnesota law or the law of another state or federal jurisdiction may not use a different name after a civil marriage except as authorized by section 259.13, and that doing so is a gross misdemeanor.

Sec. 8. Minnesota Statutes 2024, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. The local registrar may examine the parties upon oath in person, by telephone, remotely using web conferencing technology, or by requiring a verified statement signed by both parties attesting to the legality of the marriage. The local registrar may accept civil marriage license applications signed by both parties that are submitted by mail, facsimile, or electronic filing. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), The local registrar shall collect from the applicant a fee of \$115 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is \$40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18,

or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

Sec. 9. Minnesota Statutes 2024, section 517.09, subdivision 1, is amended to read:

Subdivision 1. **General.** ~~No particular form is required to solemnize a civil marriage, except: the parties~~ Both applicants shall declare in the presence of a person who is not the same individual as the applicant or the witness, authorized to solemnize civil marriages and two attending witnesses that each takes the other as spouse; ~~or the civil marriage shall be solemnized in a manner provided by section 517.18.~~

Sec. 10. Minnesota Statutes 2024, section 517.10, is amended to read:

517.10 CERTIFICATE; WITNESSES.

The person solemnizing a civil marriage shall ~~prepare complete~~ and sign a marriage certificate provided by the local registrar. The certificate shall contain the full names of the parties before and after the civil marriage, the birth dates of the parties, and county and state of residences of the parties and the date and place of the civil marriage. The certificate shall also contain the signatures of the applicants' legal names after marriage and at least two of the witnesses present at the civil marriage who shall be at least 16 years of age. The person solemnizing the civil marriage shall immediately make a record of such civil marriage, and file such certificate with the local registrar of the county in which the license was issued within five days after the ceremony. The local registrar shall record such certificate in the county civil marriage records.

Sec. 11. [517.103] AMENDMENT OF MARRIAGE RECORDS.

(a) To request an amendment of an error in a marriage record, a person must submit the following documentation to the local registrar:

(1) an affidavit stating the reason for an amendment of the marriage record; and

(2) documentation supporting the amendment.

(b) A local registrar may amend a marriage record if the local registrar:

(1) receives an affidavit and documentation supporting the amendment of a marriage record; and

(2) the local registrar determines that the affidavit and supporting documentation establish that the marriage record contains an error.

(c) The local registrar must retain and maintain an affidavit and documentation upon which the amendment of a marriage record was based, including the date of the amendment and the legal name of the authorized person making the amendment.

(d) The local registrar must not amend a marriage record if:

(1) an applicant fails to submit the documentation required for amending a marriage record; or

(2) the local registrar has reason to question the validity or completeness of the applicant's affidavit or supporting documentation.

Sec. 12. Minnesota Statutes 2024, section 518B.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms ~~shall~~ have the meanings given them:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

(1) physical harm, bodily injury, or assault;

(2) the infliction of fear of imminent physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; sexual extortion within the meaning of section 609.3458; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are presently residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

(d) "Custodian" means any person other than the petitioner or respondent who ~~is under a legal obligation to provide care and support for a minor child of a petitioner or who is in fact providing care and support for a minor child of a petitioner. Custodian does not include any person caring for a minor child if the petitioner's parental rights have been terminated.~~ has:

(1) physical or legal custody under section 257.541, subdivision 1, physical or legal custody pursuant to any court order, or physical custody with the consent of a custodial parent; or

(2) court-ordered parenting time.

Sec. 13. Minnesota Statutes 2024, section 524.5-120, is amended to read:

524.5-120 BILL OF RIGHTS FOR PERSONS SUBJECT TO GUARDIANSHIP OR CONSERVATORSHIP.

The person subject to guardianship or person subject to conservatorship retains all rights not restricted by court order and these rights must be enforced by the court. These rights include the right to:

- (1) treatment with dignity and respect;
- (2) due consideration of current and previously stated personal desires and preferences, including but not limited to medical treatment preferences, cultural practices, religious beliefs, and other preferences and opinions in decisions made by the guardian or conservator;
- (3) participate in decision making about and receive timely and appropriate health care and medical treatment that does not violate known preferences or conscientious, religious, or moral beliefs of the person subject to guardianship or person subject to conservatorship;
- (4) exercise control of all aspects of life unless delegated specifically to the guardian or conservator by court order;
- (5) guardianship or conservatorship services individually suited to the conditions and needs of the person subject to guardianship or the person subject to conservatorship;
- (6) petition the court to prevent or initiate a change in abode;
- (7) care, comfort, social and recreational needs, employment and employment supports, training, education, habilitation, and rehabilitation care and services, within available resources;
- (8) be consulted concerning, and to decide to the extent possible, the reasonable care and disposition of the clothing, furniture, vehicles, and other personal property and effects of the person subject to guardianship or person subject to conservatorship, to object to the disposition of personal property and effects, and to petition the court for a review of the guardian's or conservator's proposed disposition;
- (9) personal privacy;
- (10) communicate, visit, or interact with others, including receiving visitors ~~or~~, making or receiving telephone calls, sending or receiving personal mail, ~~or~~ sending or receiving electronic

communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses a substantial risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate the significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible, including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court; to the person subject to guardianship; and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(11) marry and procreate, unless court approval is required;

(12) elect or object to sterilization as provided in section 524.5-313, paragraph (c), clause (4), item (iv);

(13) at any time, petition the court for termination or modification of the guardianship or conservatorship, and any decisions made by the guardian or conservator in relation to powers granted, or for other appropriate relief;

(14) be represented by an attorney in any proceeding or for the purpose of petitioning the court;

(15) vote, unless restricted by the court;

(16) be consulted concerning, and make decisions to the extent possible, about personal image and name, unless restricted by the court; and

(17) execute a health care directive, including both health care instructions and the appointment of a health care agent, if the court has not granted a guardian any of the powers or duties under section 524.5-313, paragraph (c), clause (1), (2), or (4).

Sec. 14. Minnesota Statutes 2024, section 524.5-311, is amended to read:

524.5-311 EMERGENCY GUARDIAN.

(a) If the court finds that compliance with the procedures of this article will likely result in substantial harm to the respondent's health, safety, or welfare, and that no other person appears to have authority and willingness to act in the circumstances, the court, on petition by a person interested in the respondent's welfare, may appoint an emergency guardian whose authority may not exceed 60 days and who may exercise only the powers specified in the order. A county that is acting under section 626.557, subdivision 10, by petitioning for appointment of an emergency guardian on behalf of a vulnerable adult may be granted authority to act for a period not to exceed 90 days. An emergency guardian's appointment under this section may only be extended once for a period not to exceed 60 days if the court finds good cause for the continuation of the guardianship. Immediately upon receipt of the petition for an emergency guardianship, the court shall appoint a lawyer to represent the

respondent in the proceeding. Except as otherwise provided in paragraph (b), reasonable notice of the time and place of a hearing on the petition must be given to the respondent; interested parties, if known; and any other persons as the court directs.

(b) An emergency guardian may be appointed without notice to the respondent and the respondent's lawyer only if the court finds from affidavit or other sworn testimony that the respondent will be substantially harmed before a hearing on the appointment can be held and the petitioner made good faith efforts to provide notice to the respondent or the respondent's lawyer. If the court appoints an emergency guardian without notice to the respondent, the respondent must be given notice of the appointment within 48 hours after the appointment. The court shall hold a hearing on the appropriateness of the appointment within five days after the appointment.

(c) Appointment of an emergency guardian, with or without notice, is not a determination of the respondent's incapacity.

(d) The court may remove an emergency guardian at any time. An emergency guardian shall make any report the court requires. In other respects, the provisions of this article concerning guardians apply to an emergency guardian.

(e) Any documents or information disclosing or pertaining to health or financial information shall be filed as confidential documents, consistent with the bill of particulars under section 524.5-121.

(f) The mere fact that the respondent is a patient in a hospital or a resident of a facility is not in and of itself sufficient evidence to support a risk of substantial harm to the respondent's health, safety, or welfare.

Sec. 15. Minnesota Statutes 2024, section 524.5-313, is amended to read:

524.5-313 POWERS AND DUTIES OF GUARDIAN.

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ability right of the person subject to guardianship to communicate, visit, or interact with others pursuant to section 524.5-120, clause (10), including receiving visitors or, making or receiving telephone calls, sending or receiving personal mail, or sending or receiving electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses a substantial risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate such significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible, including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court; to the person subject to guardianship; and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and

instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

Sec. 16. [609.2334] ORDER FOR PROTECTION AGAINST FINANCIAL EXPLOITATION OF A VULNERABLE ADULT.

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

(b) "Conservator" has the meaning given in section 524.5-102, subdivision 3.

(c) "Financial exploitation" has the meaning given in section 626.5572, subdivision 9.

(d) "Guardian" has the meaning given in section 524.5-102, subdivision 5.

(e) "Lead investigative agency" has the meaning given in section 626.5572, subdivision 13.

(f) "Petitioner" means any of the following:

(1) a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(2) the guardian or conservator of a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(3) a person or organization acting on behalf of the vulnerable adult with the consent of the vulnerable adult or his or her guardian or conservator;

(4) an agent under a validly executed power of attorney with the authority specifically granted in the power of attorney; or

(5) a person who simultaneously files a petition under section 524.5-409, subdivision 2, for appointment of an emergency conservator with respect to the vulnerable adult.

(g) "Vulnerable adult" has the meaning given in section 626.5572, subdivision 21.

Subd. 2. **Jurisdiction; petition.** (a) A petitioner may petition the court for an order for protection against financial exploitation of a vulnerable adult seeking injunctive relief and any other equitable remedy the court deems appropriate with the court located in the county where the petitioner, respondent, or the vulnerable adult resides. There are no residency requirements that apply to a petition filed under this section. Actions under this section shall be given docket priorities by the court.

(b) A petition for relief under this section must:

(1) allege the existence of financial exploitation, or the imminent danger of financial exploitation, of the vulnerable adult;

(2) include the specific facts and circumstances for which relief is sought, including the relationship between the vulnerable adult and respondent;

(3) state whether the vulnerable adult has ever applied for or received an order for protection under this section or section 518B.01, or a restraining order under section 609.748; and

(4) state whether there are any pending actions between the vulnerable adult and the respondent.

(c) A person temporarily or permanently vacating a residence or household in an attempt to avoid financial exploitation does not affect the person's right to petition for an order under this section.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 3. **Filing fee.** The filing fees for an order for protection against financial exploitation for a vulnerable adult under this section are waived for the petitioner and respondent.

Subd. 4. **Hearing.** Upon receipt of the petition, the court shall order a hearing which shall be held no later than 14 days from the date of the order for the hearing unless a temporary ex parte order is issued under subdivision 8. If the court issues a temporary ex parte order, the hearing must be held as provided under subdivision 8.

Subd. 5. **Service.** (a) Except as provided in paragraph (b), the petition and any order issued under this section must be served on the respondent as provided in section 518B.01, subdivisions 8, 8a, and 9a. If the petitioner is not the vulnerable adult, the petitioner must serve the vulnerable adult with a copy of the petition, notice of any hearing, and any orders issued under this section. If any assets or lines of credit are ordered to be frozen, the petitioner must serve the depository or financial institution with the order.

(b) If service on the respondent is not possible as provided in paragraph (a), the petitioner may serve the respondent through the method used to contact the vulnerable adult. The petitioner must provide to the court the reasons that service was not possible under section 518B.01, subdivision 8, 8a, or 9a.

Subd. 6. **Maltreatment report required.** Unless a report was made before a petition was filed under this section, the petitioner must file a report pursuant to section 626.557 within 24 hours of filing a petition under this section. This section does not modify or supersede mandated reporting requirements under section 626.557.

Subd. 7. **Factors.** In determining whether to award relief to the petitioner, the court may consider and evaluate all relevant factors, including any of the following:

(1) the existence of a current or previous order for protection issued under this section or section 518B.01, a current or previous harassment restraining order issued under section 609.748, or any previous or current similar order issued by another jurisdiction;

(2) any history of financial exploitation by the respondent upon the vulnerable adult identified in the petition or any other vulnerable adult;

(3) any history of the vulnerable adult's previous financial exploitation by the respondent or any other person;

(4) the capacity of the vulnerable adult to make decisions related to their finances and property;

(5) the susceptibility of the vulnerable adult to undue influence; or

(6) the respondent's criminal history.

Subd. 8. **Temporary ex parte order.** (a) The court may issue a temporary order for protection ex parte if the court finds that:

(1) there is an immediate and present danger of financial exploitation of the vulnerable adult;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) there is a substantial likelihood of success on the merits;

(4) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(5) a temporary order protects the vulnerable adult's financial security.

(b) A denial of a petition for an ex parte order must be by written order and must note the grounds for denial. When the only ground for denial is failure to demonstrate the immediate and present danger of financial exploitation of a vulnerable adult, the court must set a full hearing on the petition for an order for protection at the earliest possible date and within 14 days of the date of the court's denial order. Nothing in this paragraph limits a petitioner's right to promptly amend a petition consistent with court rules.

(c) An ex parte temporary order may be effective for a fixed period not to exceed 14 days unless good cause is shown to extend the order. The ex parte temporary order may be extended once for up to an additional 14 days. A full hearing, as provided by this section, must be set for a date no later than the date when the ex parte temporary order expires.

Subd. 9. **Relief.** (a) The court may grant relief as provided under this section, if upon notice and hearing and consideration of all relevant factors, the court finds that:

(1) the vulnerable adult is the victim of financial exploitation or the vulnerable adult is in imminent danger of becoming a victim of financial exploitation;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(4) an order protects the vulnerable adult's financial security.

(b) In addition to any other injunctive or equitable relief the court deems appropriate, the court may grant any or all of the following relief in either a temporary ex parte or final order issued under this section:

(1) prohibit the respondent from direct or indirect contact with the vulnerable adult;

(2) restrain the respondent from committing any acts of financial exploitation against the vulnerable adult;

(3) hold financial accounts in accordance with chapter 45A or freeze any assets of the vulnerable adult in any depository or financial institution whether titled solely in the vulnerable adult's name, solely in the respondent's name, jointly with the respondent, in conservatorship, or in a trust, provided that:

(i) assets held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding;

(ii) assets held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition; and

(iii) assets held solely in the name of the respondent may only be frozen on an ex parte basis if the petition and affidavit demonstrate to the court probable cause that such assets are traceable to the financial exploitation of the vulnerable adult, that such assets are likely to be returned to the vulnerable adult after a final evidentiary hearing, and that no other adequate remedy at law is reasonably available;

(4) freeze any line of credit of the vulnerable adult at any depository or financial institution whether listed solely in the vulnerable adult's name or jointly with the respondent, provided that:

(i) lines of credit held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding; and

(ii) lines of credit held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition;

(5) if the court has ordered an asset and credit freeze, ordering that living expenses of the vulnerable adult continue to be paid;

(6) award to the vulnerable adult the temporary exclusive use and possession of the dwelling that the vulnerable adult and the respondent share or bar the respondent from the residence of the vulnerable adult;

(7) provide necessary directives to law enforcement agencies; and

(8) provide any terms the court deems necessary for the protection of the vulnerable adult or the vulnerable adult's assets.

Subd. 10. **Modifying or vacating an order; extensions and subsequent orders.** Upon application and notice to all parties as required under this section, the court may vacate an order, modify the terms of an existing order for protection, extend relief granted in an existing order for protection, or, if an order for protection has expired, issue a new order.

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. Section 518B.01, subdivision 13, applies to orders granted under this section.

Subd. 12. **Title to real property.** Nothing in this section affects title to real property.

Subd. 13. **Violation of an order for protection.** (a) A person is guilty of a misdemeanor if the person:

(1) knows of the existence of an order for protection issued under this section;

(2) is prohibited from direct or indirect contact with a vulnerable adult or restrained from committing any acts of financial exploitation against a vulnerable adult as provided in subdivision 9, paragraph (b); and

(3) violates the order by committing such conduct.

(b) A person who violates paragraph (a) within ten years of a previous conviction or adjudication of delinquency for a violation of this subdivision or section 609.2335, is guilty of a gross misdemeanor.

(c) A person who violates paragraph (a) within ten years of the first of two or more previous convictions or adjudications of delinquency for a violation of this subdivision or section 609.2335, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 14. **Admissibility of testimony in criminal proceeding.** Any testimony offered by a respondent in a hearing pursuant to this section is inadmissible in a criminal proceeding.

Subd. 15. **Other remedies available.** Any proceeding under this section shall be in addition to other civil or criminal remedies.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 611.45, subdivision 3, is amended to read:

Subd. 3. **Dismissal of criminal charge.** (a) If the court finds the defendant incompetent, and the charge is a misdemeanor other than a targeted misdemeanor, the charge must be dismissed.

(b) In targeted misdemeanor and gross misdemeanor cases, the charges must be dismissed 30 days after the date of the finding of incompetence, unless the prosecutor, before the expiration of the 30-day period, files a written notice of intent to prosecute when the defendant attains competency. If a notice has been filed and the charge is a targeted misdemeanor, charges must be dismissed within one year after the finding of incompetency. If a notice has been filed and the charge is a gross misdemeanor, charges must be dismissed within two years after the finding of incompetency.

(c) In felony cases, except as provided in paragraph (d), the charges must be dismissed three years after the date of the finding of incompetency, unless the prosecutor, before the expiration of the three-year period, files a written notice of intent to prosecute when the defendant attains competency. If a notice has been filed, charges must be dismissed within five years after the finding of incompetency or ten years if the maximum sentence for the crime with which the defendant is charged is ten years or more.

(d) The requirement that felony charges be dismissed under paragraph (c) does not apply if:

(1) the court orders continuing supervision or monitoring pursuant to section 611.49; or

(2) the defendant is charged with a violation of sections 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(e) Nothing in this subdivision requires dismissal of any charge if the court finds the defendant competent and enters an order directing that the criminal proceedings shall resume.

Sec. 18. Minnesota Statutes 2024, section 611.46, subdivision 2, is amended to read:

Subd. 2. ~~Supervision~~ **Forensic navigator monitoring.** (a) Upon a finding of incompetency, if the defendant is entitled to release, the court must determine whether the defendant requires pretrial supervision. The court must weigh public safety risks against the defendant's interests in remaining free from supervision while presumed innocent in the criminal proceedings. The court may use a validated and equitable risk assessment tool to determine whether supervision is necessary.

(b) If the court determines that the defendant requires pretrial supervision, the court ~~shall~~ may direct the forensic navigator to ~~conduct pretrial supervision and report violations to the court. The forensic navigator shall be responsible for the supervision of the defendant until ordered otherwise by the court.~~ monitor the defendant's compliance or noncompliance with the conditions of release as provided in section 611.55, subdivision 3, paragraph (c). A forensic navigator may not conduct searches, seize property or persons, or issue sanctions.

(c) Upon application by the prosecutor, forensic navigator, other entity or its designee assigned to supervise the defendant, or court services alleging that the defendant violated a condition of release and is a risk to public safety, the court shall follow the procedures under Rules of Criminal Procedure, rule 6. Any hearing on the alleged violation of release conditions shall be held no more than 15 days after the date of issuance of a summons or within 72 hours if the defendant is apprehended on a warrant.

(d) If the court finds a violation, the court may revise the conditions of release and bail as appropriate pursuant to Minnesota Rules of Criminal Procedure and must consider the defendant's need for ongoing access to a competency attainment program or alternative program under this section.

(e) The court must review conditions of release and bail on request of any party and may amend the conditions of release or make any other reasonable order upon receipt of information that the pretrial detention of a defendant has interfered with the defendant attaining competency.

Sec. 19. Minnesota Statutes 2024, section 611.49, subdivision 2, is amended to read:

Subd. 2. **Procedure.** (a) If the court finds that there is a substantial probability that the defendant will attain competency within the reasonably foreseeable future, the court shall find the defendant incompetent and proceed under section 611.46.

(b) If the court finds that there is not a substantial probability the defendant will attain competency within the reasonably foreseeable future, the court may not order the defendant to participate in or continue to participate in a competency attainment program in a locked treatment facility. The court must release the defendant from any custody holds pertaining to the underlying criminal case and require the forensic navigator to develop a bridge plan.

(c) If the court finds that there is not a substantial probability the defendant will attain competency within the foreseeable future, the court may issue an order to the designated agency in the county of financial responsibility or the county where the defendant is present to conduct a prepetition screening pursuant to section 253B.07.

(d) If the court finds that there is not a substantial probability that the defendant will attain competency within the foreseeable future, the court must dismiss the case unless:

(1) the person is charged with a violation of section 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an unborn child in the second degree); or a

crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152; or

(2) there is a showing of a danger to public safety if the matter is dismissed.

(e) If the court does not dismiss the charges, the court must order continued supervision or monitoring under subdivision 3.

Sec. 20. Minnesota Statutes 2024, section 611.49, subdivision 3, is amended to read:

Subd. 3. **Continued supervision or monitoring.** (a) If the court orders the continued supervision or monitoring of a defendant, any party may request a hearing on the issue of continued supervision or monitoring by filing a notice no more than ten days after the order for continued supervision or monitoring.

(b) When continued supervision is ordered, the court must identify the ~~supervisory~~ agency responsible for the supervision of the defendant ~~and may identify a forensic navigator as the responsible entity.~~ Alternatively, the court may direct the forensic navigator to monitor the defendant's compliance or noncompliance with the conditions of release as provided in section 611.55, subdivision 3, paragraph (c). A forensic navigator may not conduct searches, seize property or persons, or issue sanctions.

(c) Notwithstanding the reporting requirements of section 611.46, subdivision 6, the court examiner must provide an updated report to the court one year after the initial order for continued supervision or monitoring as to the defendant's competency and a description of the efforts made to assist the defendant in attaining competency. The court shall hold a review hearing within 30 days of receipt of the report.

(d) If continued supervision or monitoring is ordered at the review hearing under paragraph (c), the court must set a date for a review hearing no later than two years after the most recent order for continuing supervision or monitoring. The court must order review of the defendant's status, including an updated competency examination and report by the court examiner. The court examiner must submit the updated report to the court. At the review hearing, the court must determine if the defendant has attained competency, whether there is a substantial probability that the defendant will attain competency within the foreseeable future, and whether the absence of continuing supervision or monitoring of the defendant is a danger to public safety. Notwithstanding subdivision 2, paragraph (d), the court may hear any motions to dismiss pursuant to the interest of justice at the review hearing.

(e) Continued supervision or monitoring of a defendant in cases where the most serious charge is a targeted misdemeanor or gross misdemeanor is subject to the limitations established in section 611.45, subdivision 3, paragraph (b).

(f) The court may not order continued supervision or monitoring of a defendant charged with a felony for more than ten years unless the defendant is charged with a violation of section 609.2112 (criminal vehicular homicide); 609.2114, subdivision 1 (criminal vehicular operation, death to an unborn child); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); or 609.2665 (manslaughter of an

unborn child in the second degree); or a crime of violence as defined in section 624.712, subdivision 5, except for a violation of chapter 152.

(g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge. If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

(h) The court may provide, partner, or contract for pretrial supervision services or continued supervision if the defendant is found incompetent and unlikely to attain competency in the foreseeable future.

Sec. 21. Minnesota Statutes 2024, section 611.55, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) Forensic navigators shall assist and ~~supervise~~ monitor defendants when appointed to do so by a court. Forensic navigators shall be impartial in all legal matters relating to the criminal case. Nothing shall be construed to permit the forensic navigator to provide legal counsel as a representative of the court, prosecutor, or defense counsel.

(b) Forensic navigators shall provide services to assist defendants with mental illnesses and cognitive impairments. Services may include, but are not limited to:

- (1) developing bridge plans;
- (2) assisting defendants in participating in court-ordered examinations and hearings;
- (3) coordinating timely placement in court-ordered competency attainment programs;
- (4) providing competency attainment education;
- (5) reporting to the court on the progress of defendants found incompetent to stand trial;
- (6) providing coordinating services to help defendants access mental health services, medical care, stable housing and housing assistance, financial assistance, social services, transportation, precharge and pretrial diversion, and other necessary services provided by other programs and community service providers;
- (7) communicating with and offering supportive resources to defendants and family members of defendants; and
- (8) providing consultation and education to court officials on emerging issues and innovations in serving defendants with mental illnesses in the court system.

(c) When ordered to ~~supervise a defendant, a forensic navigator shall report to the court on~~ monitor a defendant's compliance or noncompliance with conditions of ~~pretrial supervision and any~~

~~order of the court~~ release under section 611.46, subdivision 2, paragraph (b), the forensic navigator shall provide updates to the court on a regular basis or when requested by the court or either party.

(d) If a defendant's charges are dismissed, the appointed forensic navigator may continue assertive outreach with the individual for up to 90 days to assist in attaining stability in the community.

Sec. 22. Minnesota Statutes 2024, section 611.56, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) The Minnesota Competency Attainment Board is established in the judicial branch. The board is not subject to the administrative control of the judiciary. The board shall consist of seven members, including:

(1) three members appointed by the supreme court, at least one of whom must be a defense attorney, one a county attorney, and one public member; and

(2) four members appointed by the governor, at least one of whom must be a mental health professional with experience in competency attainment.

(b) The appointing authorities may not appoint an active judge to be a member of the board, but may appoint a retired judge.

(c) All members must demonstrate an interest in maintaining a high quality, independent forensic navigator program and a thorough process for certification of competency attainment programs. Members shall be familiar with the Minnesota Rules of Criminal Procedure, particularly rule 20; chapter 253B; and sections 611.40 to 611.59. ~~Following the initial terms of appointment, at least one member appointed by the supreme court must have previous experience working as a forensic navigator.~~ At least three members of the board shall live outside the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The members shall elect the chair from among the membership for a term of two years.

Sec. 23. Minnesota Statutes 2024, section 611.59, subdivision 1, is amended to read:

Subdivision 1. **Availability and certification.** The board ~~must~~ will use available resources to provide ~~or contract for enough~~ competency attainment services to meet the needs of adult defendants in each judicial district who are found incompetent to proceed and do not have access to competency attainment services as a part of any other programming in which they are ordered to participate. The board, in consultation with the Certification Advisory Committee, shall develop procedures to certify that the standards in this section are met, including procedures for regular recertification of competency attainment programs. The board shall maintain a list of programs it has certified on the board's website and shall update the list of competency attainment programs at least once every year.

Sec. 24. Minnesota Statutes 2024, section 611.59, subdivision 4, is amended to read:

Subd. 4. **Program evaluations.** (a) The ~~board~~ state court administrator shall ~~collect~~ prepare and make available to the board the following data:

(1) the total number of competency examinations ordered in each judicial district separated by county;

(2) the age, race, and number of unique defendants and for whom at least one competency examination was ordered in each judicial district separated by county;

(3) the age, race, and number of unique defendants found incompetent at least once in each judicial district separated by county; and

(4) all available data on the level of charge and adjudication of cases with a defendant found incompetent ~~and whether a forensic navigator was assigned to the case.~~

(b) By February 15 of each year, the board must report to the legislative committees and divisions with jurisdiction over human services, public safety, and the judiciary on the data collected under this subdivision and may include recommendations for statutory or funding changes related to competency attainment.

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, sections 517.05; and 517.18, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; providing for certain policy for the judiciary, courts, public safety, crime, corrections, data practices, and civil law; providing for crime victims policy; modifying certain financial crimes and fraud investigations law; modifying certain crime victims policy; modifying certain mortgage foreclosure policy; modifying certain statutes of limitation; modifying certain fees; providing for grants; providing for a task force; providing for reports; establishing criminal penalties; establishing Minnesota victims of crime account; appropriating money for judiciary, public safety, corrections, Board of Civil Legal Aid, Guardian ad Litem Board, Tax Court, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Human Rights, Office of Appellate Counsel and Training, Minnesota Competency Attainment Board, Cannabis Expungement Board, Secretary of State, Sentencing Guidelines, Peace Officer Standards and Training (POST) Board, Private Detective Board, Ombudsperson for Corrections, Clemency Review Commission, and Office of Higher Education; amending Minnesota Statutes 2024, sections 13.03, subdivisions 3, 6; 13.32, subdivisions 2, 5; 13.43, subdivision 2; 13.82, subdivision 1; 13.821; 13.825, subdivision 4; 13.991; 43A.17, subdivision 13; 45.0135, subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2; 60A.952, subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 121A.038, subdivision 7; 121A.06; 144.223; 144.296; 144E.123, subdivision 3; 152.021, subdivision 2; 152.022, subdivision 2; 152.023, subdivision 2; 152.025, subdivision 2; 152.137, subdivisions 1, 2; 241.01, subdivision 3a; 241.021, subdivision 1, by adding a subdivision; 241.80; 244.18, subdivisions 1, 7, 9; 244.19, subdivisions 1c, 1d, 5, 5a; 244.20; 244.41, subdivision 6; 244.44; 244.46, subdivision 1; 246B.04, subdivision 2; 260C.419, subdivisions 2, 3, 4; 268.19, subdivision 1; 268B.30; 272.45; 297I.11, subdivision 2; 299C.055; 299C.40, subdivision 1; 299C.52, subdivision 1; 299C.80, subdivision 6; 299F.47, subdivision 2; 326.338, subdivision 4; 357.021, subdivision 2; 388.23, subdivision 1; 401.03; 401.10, subdivisions 1, 4, by adding a subdivision; 401.11, subdivision 1; 401.14; 401.15, subdivision 2; 401.17, subdivisions 1, 5; 480.243, by adding a subdivision; 480.35, by adding a subdivision; 480.40, subdivisions 1, 3; 480.45, subdivision 2; 484.44; 484.51; 517.04; 517.08, subdivisions 1a, 1b, 1c; 517.09, subdivision 1; 517.10; 518.68, subdivision 1; 518B.01, subdivision 2; 524.5-120; 524.5-311; 524.5-313; 524.5-420; 580.07, subdivisions 1, 2; 580.10; 580.225; 580.24; 580.25; 580.26; 580.28;

581.02; 582.03, subdivisions 1, 2; 582.043, subdivision 6; 595.02, subdivision 1; 609.101, subdivision 2; 609.2231, subdivision 2; 609.2232; 609.322, subdivision 1; 609.527, subdivision 3; 609.531, subdivision 1; 609.593, subdivision 1; 609.78, subdivision 2c; 611.24, subdivision 4; 611.45, subdivision 3; 611.46, subdivision 2; 611.49, subdivisions 2, 3; 611.55, subdivision 3; 611.56, subdivision 1; 611.59, subdivisions 1, 4; 611A.02; 611A.0315; 611A.06, by adding a subdivision; 611A.90; 617.246, subdivisions 1, 2, 3, 4, 6; 617.247; 624.714, subdivision 7a; 626.05, subdivision 2; 626.19, subdivision 3; 626.84, subdivision 1; 626A.35, subdivision 2b, by adding a subdivision; 628.26; 629.341, subdivision 3; 634.35; Laws 2023, chapter 52, article 2, section 3, subdivisions 2, 3, 8, as amended; article 4, section 24, subdivision 7, as amended; article 11, section 31; Laws 2023, chapter 68, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 241; 299A; 299C; 401; 480; 517; 609; 617; 626; repealing Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, 5; 253.21; 253.23; 325E.21, subdivision 2b; 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; 325F.07; 517.05; 517.18."

We request the adoption of this report and repassage of the bill.

House Conferees: Paul Novotny, Kelly Moller, Peggy Scott, Tina Liebling

Senate Conferees: Ron Latz, Clare Oumou Verbeten, Judy Seeberger, Bonnie Westlin, Doron Clark

Senator Latz moved the foregoing recommendations and Conference Committee report on H.F. No. 2432 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Champion, Fateh, Frentz, Hauschild, Mann, Marty, McEwen, Mohamed, Oumou Verbeten, and Rest.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Duckworth, Housley, and Johnson.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 2432 was read the third time, as amended by the Conference Committee, and placed on its repassage.

Pursuant to Sec. 110, Par. 2, of Mason's Manual of Legislative Procedure, Senator Rasmusson raised a point of order. The President ruled the point of order well taken.

The question was taken on the repassage of H.F. No. 2432, as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kunesh	Mitchell	Putnam
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Murphy	Seeberger
Clark	Hawj	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hoffman	Marty	Pappas	Wiklund
Dibble	Johnson Stewart	Maye Quade	Pha	Xiong
Fateh	Klein	McEwen	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Frentz, Hauschild, Hawj, Mann, Marty, McEwen, Murphy, Port, and Putnam.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Coleman	Green	Koran	Miller	Wesenberg
Dahms	Gruenhagen	Kreun	Nelson	Westrom
Dornink	Heintzeman	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Duckworth, and Housley.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

President Champion resumed the Chair.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2563, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2563 is herewith transmitted to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 18, 2025

CONFERENCE COMMITTEE REPORT ON H. F. No. 2563

A bill for an act relating to legacy; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; extending prior appropriations; providing for leveraging federal grant money; modifying reporting requirements; modifying accountability provisions; amending Minnesota Statutes 2024, sections 97A.056, by adding a subdivision; 114D.30, subdivision 7; 129D.17, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivision 6.

May 18, 2025

The Honorable Lisa M. Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2563 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2563 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**OUTDOOR HERITAGE FUND****Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "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. The appropriations in this article are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. OUTDOOR HERITAGE FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>162,111,000</u>	<u>\$</u>	<u>775,000</u>

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Prairies

33,432,000

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(a) Martin County DNR WMA Acquisition, Phase 9

\$1,332,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and restore and enhance strategic prairie grassland, wetland, and other wildlife habitat in Martin County for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$970,000 to Fox Lake Conservation League, Inc., \$327,000 to Ducks Unlimited, and \$35,000 to the Conservation Fund.

(b) Prairie Chicken Habitat Partnership of the Southern Red River Valley, Phase 11

\$3,607,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisitions of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(c) RIM Grasslands Reserve, Phase 6

\$3,375,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to

restore and enhance grassland habitat under Minnesota Statutes, sections 103F.501 to 103F.531. Of this amount, up to \$70,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) RIM Buffers for Wildlife and Water, Phase 11

\$4,000,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the riparian buffer program under the clean water fund for additional wildlife benefits from buffers on private land. Of this amount, up to \$60,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(e) Accelerating the Wildlife Management Area Program, Phase 17

\$4,863,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(f) Minnesota Prairie Recovery Program, Phase 14

\$2,433,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee and restore and enhance native prairie, grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in Minnesota Prairie Conservation Plan.

(g) Northern Tallgrass Prairie National Wildlife Refuge, Phase 15

\$3,658,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and to restore and enhance lands in the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(h) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 17

\$1,916,000 the first year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

(i) Enhanced Public Land - Grasslands, Phase 8

\$3,440,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands in the forest prairie transition, metro urban, and prairie ecoregions of Minnesota.

(j) Accelerating the USFWS Habitat Conservation Easement Program, Phase 5

\$4,808,000 the first year is to the commissioner of natural resources for agreements to restore and enhance wetland and prairie habitat on habitat easements of the United States Fish and Wildlife Service as follows: \$3,100,000 to Ducks Unlimited and \$1,708,000 to Pheasants Forever.

Subd. 3. Forests

19,958,000

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(a) Minnesota Forest Recovery Project, Phase 3

\$3,464,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the Department of Natural Resources and Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance degraded forests in Beltrami, Cass, Cook, Itasca, Lake, Koochiching, and St. Louis Counties. Of this

amount, up to \$84,000 is to the easement holder to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Itasca County Memorial Forest Project

\$2,720,000 the first year is to the commissioner of natural resources for an agreement with Itasca County to acquire priority forest habitat lands in fee as county forests.

(c) Hardwood Hills Habitat Conservation Program, Phase 2

\$1,803,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance forest habitats in the hardwood hills ecological section of west-central Minnesota as follows: \$100,000 to St. John's University and \$1,703,000 to Minnesota Land Trust. Of the amount to Minnesota Land Trust, \$196,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase 13

\$2,183,000 the first year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and to restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Of this amount, up to \$110,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056,

subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(e) Minnesota Forests for the Future, Phase 5

\$5,241,000 the first year is to the commissioner of natural resources to acquire lands in conservation easements and to restore and enhance forests, wetlands, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program according to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to \$400,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(f) DNR Forest Habitat Enhancement, Phase 5

\$2,543,000 the first year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota.

(g) Moose Habitat Collaborative - Northeast Minnesota Forest Habitat Enhancement, Phase 5

\$2,004,000 the first year is to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to restore and enhance public forest lands in the northern forest region for moose habitat purposes.

Subd. 4. Wetlands

29,032,000

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(a) Wetland Habitat Protection and Restoration Program, Phase 10

\$2,853,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance prairie, wetland, and other habitats on permanently protected conservation easements in high-priority wetland habitat complexes in the prairie, forest/prairie transition, and forest ecoregions. Of this amount, up to \$168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(b) Shallow Lake and Wetland Protection and Restoration Program, Phase 14

\$5,673,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land-buffering shallow lakes.

(c) RIM Wetlands - Restoring the Most Productive Habitat in Minnesota, Phase 14

\$4,291,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$70,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(d) Accelerating the Waterfowl Production Area Acquisition Program, Phase 17

\$5,121,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and to restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota.

(e) Nelson Slough - East Park Wildlife Management Area, Phase 2

\$1,543,000 the first year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac Rivers Watershed District to restore and enhance wetland and upland wildlife habitat in Nelson Slough and the East Park Wildlife Management Area in Marshall County.

(f) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 11

\$5,601,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management.

(g) Big Swamp North

\$1,442,000 the first year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance wetland, stream, and other related wildlife habitat on public lands in the Big Swamp area in Roseau County.

(h) DNR Accelerated Shallow Lakes and Wetland Enhancement, Phase 17

\$2,508,000 the first year is to the commissioner of natural resources to enhance

and restore shallow lakes and wetland habitat statewide.

Subd. 5. Habitats

77,646,000

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(a) Cannon River Watershed Habitat Restoration and Protection Program, Phase 14

\$2,663,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance wildlife habitat in the Cannon River Watershed as follows: \$62,000 to Clean River Partners; \$1,198,000 to Great River Greening; and \$1,403,000 to the Trust for Public Land.

(b) Spring Road Conservation Project

\$1,982,000 the first year is to the commissioner of natural resources for an agreement with the Riley Purgatory Bluff Creek Watershed District to acquire priority wildlife habitat lands in fee in Hennepin County.

(c) Anoka Sand Plain Habitat Conservation, Phase 10

\$3,518,000 the first year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: \$553,000 to Anoka Conservation District; \$1,385,000 to Great River Greening; \$300,000 to The Nature Conservancy; and \$1,280,000 to Minnesota Land Trust. Up to \$112,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(d) Integrating Habitat and Clean Water, Phase 3

\$2,691,000 the first year is to the Board of Water and Soil Resources to acquire

permanent conservation easements and restore and enhance wildlife habitat identified in One Watershed, One Plan for stacked benefit to wildlife and clean water. Of this amount, up to \$80,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

(e) St. Croix Watershed Habitat Protection and Restoration, Phase 6

\$3,184,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River Watershed as follows: \$1,199,000 to the Trust for Public Land; \$121,000 to Wild Rivers Conservancy; and \$1,864,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(f) Mississippi Headwaters Habitat Corridor Project, Phase 9

\$2,769,000 the first year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount: (1) \$1,769,000 is to the commissioner of natural resources for agreements as follows: \$60,000 to the Mississippi Headwaters Board and \$1,709,000 to the Trust for Public Land; and (2) \$1,000,000 is to the Board of Water and Soil Resources, of which up to \$50,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(g) Southeast Minnesota Protection and Restoration,
Phase 13**

\$2,334,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wildlife habitat on public lands and permanent conservation easements in southeast Minnesota. Of this amount, up to \$140,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(h) Protecting Coldwater Fisheries on Minnesota's
North Shore, Phase 3**

\$2,187,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance wildlife habitat in priority coldwater tributaries to Lake Superior. Of this amount, up to \$196,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(i) Metro Big Rivers, Phase 15

\$6,793,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries in the metropolitan area as follows: \$1,000,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$488,000 to Friends of the Mississippi River; \$975,000 to Great River Greening; \$2,151,000 to the Trust for Public Land; and \$2,179,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and

enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(j) Minnesota River Watershed Habitat Conservation Program

\$3,078,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance priority habitat in the Minnesota River watershed as follows: \$1,364,000 to Great River Greening and \$1,714,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

(k) Shell Rock River Watershed Habitat Restoration Program, Phase 14

\$2,141,000 the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and to restore and enhance habitat in the Shell Rock River watershed.

(l) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 4

\$3,137,000 the first year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,494,000 is to the Northern Waters Land Trust and \$1,643,000 is to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to

Minnesota Statutes, section 97A.056,
subdivision 17.

**(m) Shakopee Creek: Headwaters Restored, Species
and Land Protected**

\$2,359,000 the first year is to the
commissioner of natural resources for an
agreement with the Kandiyohi Soil and Water
Conservation District to restore and enhance
wildlife habitat in the headwaters area of
Shakopee Creek in Kandiyohi County.

**(n) DNR Trout Stream Conservation Easements,
Phase 4**

\$973,000 the first year is to the commissioner
of natural resources to acquire land in
permanent conservation easements to protect
trout-stream aquatic habitat. Of this amount,
up to \$120,000 is for establishing a
monitoring and enforcement fund as
approved in the accomplishment plan and
subject to Minnesota Statutes, section
97A.056, subdivision 17.

**(o) Fisheries Habitat Protection on Strategic
North-Central Minnesota Lakes, Phase 11**

\$2,878,000 the first year is to the
commissioner of natural resources for
agreements to acquire land in fee and
permanent conservation easements and to
restore and enhance wildlife habitat to sustain
healthy fish habitat on coldwater lakes in
Aitkin, Cass, Crow Wing, and Hubbard
Counties as follows: \$1,259,000 to Northern
Waters Land Trust and \$1,619,000 to
Minnesota Land Trust. Up to \$168,000 to
Minnesota Land Trust is to establish a
monitoring and enforcement fund as
approved in the accomplishment plan and
subject to Minnesota Statutes, section
97A.056, subdivision 17.

**(p) Minnesota Statewide Trout Habitat
Enhancement, Phase 2**

\$2,124,000 the first year is to the
commissioner of natural resources for an

agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

(q) Restoring and Enhancing Minnesota's Important Bird Areas, Phase 4

\$2,003,000 the first year is to the commissioner of natural resources for an agreement with Audubon Minnesota to restore and enhance wildlife habitat in important bird areas or Minnesota Prairie Conservation Plan Priority areas of northwestern Minnesota.

(r) Fall River Restoration

\$1,318,000 the first year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance coldwater stream habitat in the Fall River in Cook County.

(s) DNR Aquatic Habitat Restoration and Enhancement, Phase 8

\$3,800,000 the first year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage throughout Minnesota.

(t) Rum River Corridor Fish and Wildlife Habitat Enhancement, Phase 3

\$1,356,000 the first year is to the commissioner of natural resources for an agreement with the Anoka County Soil and Water Conservation District to restore and enhance upland and riverine habitat in the Rum River corridor.

(u) DNR Roving Crew, Phase 3

\$12,642,000 the first year is to the commissioner of natural resources to restore and enhance fish and wildlife habitat on permanently protected lands throughout

Minnesota using the roving crew program of the Department of Natural Resources.

(v) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat, Phase 17

\$11,716,000 the first year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, unless not enough eligible grant applications are received, at least \$3,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least \$2,620,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$1,000,000. Of the total appropriation, \$600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be

on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2028. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

2,043,000

775,000

(a) Contract Management

\$410,000 the first year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2027.

(b) Legislative Coordinating Commission

\$732,000 the first year and \$772,000 the second year are to the Legislative Coordinating Commission for administrative

expenses of the Lessard-Sams Outdoor Heritage Council and for compensating and reimbursing expenses of council members. This appropriation is available until June 30, 2027. Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Technical Evaluation Panel

\$157,000 the first year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 20 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10. Money appropriated in this paragraph is available until June 30, 2027.

(d) Core Functions in Partner-Led OHF Land Acquisitions

\$740,000 the first year is to the commissioner of natural resources for administering the initial development, restoration, and enhancement of land acquired in fee with money appropriated from the outdoor heritage fund. This appropriation may be used for land acquisition costs incurred by the department as part of conveyance of parcels to the Department of Natural Resources and initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2033.

(e) Legacy Website

\$4,000 the first year and \$3,000 the second year are to the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Subd. 7. Availability of Appropriation

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council.

Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated for acquiring real property is available until June 30, 2029;

(2) money appropriated for restoring and enhancing land acquired with an appropriation in this article is available for four years after the acquisition date with a maximum end date of June 30, 2033;

(3) money appropriated for restoring and enhancing other land is available until June 30, 2030;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

(a) All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or

after July 1, 2025, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with the landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

(b) Unless otherwise provided, no money appropriated from the outdoor heritage fund in this article may be used to acquire, restore, or enhance any real property unless the specific acquisition, restoration, or enhancement is approved as part of the accomplishment plan on the parcel list.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded under this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open

to the public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. Carryforward

(a) The availability of the appropriation for Laws 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (b), Metro Big Rivers - Phase X, is extended to June 30, 2026.

(b) The availability of the appropriation for Laws 2020, chapter 104, article 1, section 2, subdivision 5, paragraph (k), St. Louis River Restoration Initiative - Phase VII, is extended to June 30, 2026.

(c) The availability of the appropriation for Laws 2023, chapter 40, article 1, section 2, subdivision 6, paragraph (d), Core Functions in Partner-Led OHF Land Acquisitions, is extended to June 30, 2031.

Subd. 11. Cancellation

\$120,000 of the outdoor heritage fund appropriation in Laws 2020, chapter 104, article 1, section 2, subdivision 2, paragraph (i), is canceled no later than June 29, 2025.

EFFECTIVE DATE. Subdivisions 10 and 11 are effective the day following final enactment.

Sec. 3. Minnesota Statutes 2024, section 97A.056, is amended by adding a subdivision to read:

Subd. 25. **Federal grant fund requirements.** An interest in real property acquired with money appropriated from the outdoor heritage fund may be used to leverage federal grant funds for related conservation programs, such as Pittman-Robertson Wildlife Restoration, United States Code, title 16, section 669 et seq.; Dingell-Johnson Sport Fish Restoration, United States Code, title 16, section 777 et seq.; and the North American Wetlands Conservation Act, United States Code, title 16, section 4401. These grant programs may place conditions on land use that require the continued use of the land for conservation purposes. Placement of conditions on land use under these programs does not require prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor under subdivision 15, paragraph (b).

ARTICLE 2**CLEAN WATER FUND****Section 1. CLEAN WATER FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2026" and "2027" used in this article mean that the appropriations listed under the figure 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. These are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. CLEAN WATER FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>144,625,000</u>	<u>\$</u>	<u>159,301,000</u>

This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2027, and fiscal year 2027 appropriations are available until June 30, 2028. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Subd. 4. Increasing Diversity in Environmental Careers

Agencies should work to provide opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this article.

Sec. 3. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>16,075,000</u>	<u>\$</u>	<u>17,275,000</u>

(a) \$370,000 the first year and \$370,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$3,100,000 the first year and \$3,100,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate.

(c) \$2,000,000 the first year and \$2,000,000 the second year are for the agriculture best

management practices loan program. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund.

(d) \$1,600,000 the first year and \$1,600,000 the second year are for technical assistance; research, demonstration, and promotion projects on properly implementing best management practices and vegetative cover; and more-precise information on nonpoint contributions to impaired waters and for grants to support on-farm demonstration of agricultural practices.

(e) \$50,000 the first year and \$50,000 the second year are for maintenance of the Minnesota Water Research Digital Library. Costs for information technology development or support for the digital library may be paid to Minnesota IT Services.

(f) \$3,500,000 the first year and \$3,500,000 the second year are to implement the Minnesota agricultural water quality certification program statewide.

(g) \$155,000 the first year and \$155,000 the second year are for a regional irrigation water quality specialist through University of Minnesota Extension.

(h) \$2,000,000 the first year and \$3,000,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices.

(i) \$500,000 the first year and \$500,000 the second year are for testing drinking-water wells for pesticides.

(j) \$1,750,000 the first year and \$1,750,000 the second year are for conservation

equipment assistance grants to purchase equipment or items to retrofit existing equipment that has climate and water quality benefits.

(k) \$1,050,000 the first year and \$1,250,000 the second year are for expanding the existing state weather station and soil temperature network to provide accurate and timely weather data to optimize the timing of irrigation, fertilizer, pesticide, and manure applications and support land management decisions.

(l) Unless otherwise specified, the appropriations in this section are available until June 30, 2030.

Sec. 4. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>24,501,000</u>	<u>\$</u>	<u>24,702,000</u>

(a) \$9,450,000 the first year and \$9,450,000 the second year are for completing needed statewide assessments of surface water quality and trends according to Minnesota Statutes, chapter 114D.

(b) \$7,250,000 the first year and \$7,250,000 the second year are to support public participation in the watershed approach and to update watershed restoration and protection strategies, which include total maximum daily load (TMDL) and other supporting studies according to Minnesota Statutes, chapter 114D, for waters on the impaired waters list approved by the United States Environmental Protection Agency.

(c) \$1,000,000 the first year and \$1,000,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends.

(d) \$1,600,000 the first year and \$1,600,000 the second year are for national pollutant discharge elimination system wastewater and stormwater TMDL implementation efforts.

(e) \$3,340,000 the first year and \$3,541,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation includes base grants for all counties with SSTS programs. Counties that receive base grants must report the number of properties with noncompliant systems upgraded through an SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buyout. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. The required reports must be part of the established annual reporting for SSTS programs. Of this amount, at least \$900,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(f) \$650,000 the first year and \$650,000 the second year are for activities and grants that reduce chloride pollution.

(g) \$461,000 the first year and \$461,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(h) \$750,000 the first year and \$750,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality of waters in Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and

must be matched by at least 25 percent from sources other than the clean water fund.

(i) Any unencumbered grant balances in the first year do not cancel but are available for grants in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section are available until June 30, 2030.

Sec. 5. DEPARTMENT OF NATURAL RESOURCES

\$ 14,150,000 \$ 14,650,000

(a) \$2,825,000 the first year and \$2,825,000 the second year are for stream flow monitoring.

(b) \$1,525,000 the first year and \$1,525,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$550,000 the first year and \$550,000 the second year are for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time.

(d) \$2,250,000 the first year and \$2,500,000 the second year are for developing targeted, science-based watershed restoration and protection strategies and for technical assistance for local governments.

(e) \$2,350,000 the first year and \$2,350,000 the second year are for water-supply planning, aquifer protection, and monitoring activities and analysis.

(f) \$2,100,000 the first year and \$2,250,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities and targeted forest stewardship for water quality.

(g) \$700,000 the first year and \$700,000 the second year are for tool development and evaluation, including maintaining and

updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data and for assessing the effectiveness of forestry best management practices for water quality.

(h) \$100,000 the first year and \$100,000 the second year are for accelerating completion of or updates to county geologic atlases and supplementing water chemistry or chemical movement studies.

(i) \$350,000 the first year and \$350,000 the second year are for increasing native freshwater mussel production capacity and restoring and monitoring freshwater mussel restoration efforts.

(j) \$1,400,000 the first year and \$1,500,000 the second year are for providing technical and financial assistance for county and local governments to replace failing or ineffective culverts using modern designs that restore floodplain connectivity, biological connectivity, and channel stability. This appropriation is available for up to two additional years.

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

\$

64,332,000

\$

75,004,000

(a) \$39,962,000 the first year and \$48,138,000 the second year are for agreements to implement state-approved watershed-based plans. The agreements may be used to implement projects or programs that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Activities must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan program and seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters

103B, 103C, 103D, and 114D. Other legacy funds may be used to supplement projects funded under this paragraph. This appropriation may be used for:

(1) implementing state-approved plans, including within the following watershed planning areas: Big Fork River, Blue Earth River, Bois de Sioux - Mustinka, Buffalo-Red River, Cannon River, Cedar - Wapsipinicon, Chippewa River, Clearwater River, Cottonwood-Middle Minnesota, Crow Wing River, Des Moines River, Greater Zumbro River, Hawk Creek - Middle Minnesota, Kettle and Upper St. Croix, Lac qui Parle-Yellow Bank, Lake of the Woods, Lake Superior North, Le Sueur River, Leech Lake River, Little Fork River, Long Prairie River, Lower Minnesota River East, Lower Minnesota River West, Lower St. Croix River, Middle-Snake-Tamarac Rivers, Minnesota River-Mankato, Mississippi River Brainerd, Mississippi River Headwaters, Mississippi River St. Cloud, Mississippi River-Sartell, Mississippi River Winona/La Crescent, Missouri River Basin, Nemadji River, North Fork Crow River, Otter Tail, Pine River, Pomme de Terre River, Rainy-Rapid River, Rainy Headwaters - Vermilion, Rainy River-Rainy Lake, Red Lake River, Redeye River, Redwood River, Root River, Roseau River, Rum River, Sand Hill River, Sauk River, Shell Rock and Winnebago River, Snake River, South Fork of the Crow River, St. Louis River, Thief River, Two Rivers Plus, Upper and Lower Red Lake, Upper Minnesota River, Upper Mississippi - Grand Rapids, Watonwan River, Wild Rice - Marsh, and Yellow Medicine River;

(2) implementing seven-county metropolitan groundwater or surface water management frameworks; and

(3) implementing other comprehensive watershed management plan planning areas that have a board-approved and

local-government-adopted plan as authorized in Minnesota Statutes, section 103B.801.

The board must establish eligibility criteria and determine whether a planning area is ready to proceed.

(b) \$2,935,000 the first year and \$3,065,000 the second year are for agreements with local government units to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), groundwater restoration and protection strategies (GRAPS), or local water management plans or their equivalents. Up to 50 percent of this appropriation is available for land-treatment projects and practices that benefit drinking water.

(c) \$4,350,000 the first year and \$4,350,000 the second year are for accelerated implementation, local resource protection, statewide analytical targeting or technology tools that fill an identified gap, program enhancements for technical assistance, citizen and community outreach, compliance, and training and certification.

(d) \$1,250,000 the first year and \$1,250,000 the second year are:

(1) to provide state oversight and accountability, evaluate and communicate results, provide implementation tools, and measure the value of conservation program implementation by local governments; and

(2) to submit to the legislature by December 15 each even-numbered year a biennial report detailing the recipients and projects funded and the results accomplished under this section.

(e) \$2,000,000 the first year and \$2,000,000 the second year are to provide assistance, oversight, and support for local governments in implementing and complying with riparian protection and excessive soil loss requirements.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for a working lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, wetlands, rivers, streams, and tributaries, by conservation easements or other agreements to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to \$60,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(g) \$2,500,000 the first year and \$2,500,000 the second year are for conservation easements under Minnesota Statutes, section 103F.501 to 103F.535, or for agreements with local units of government or Tribal governments for long-term protection of groundwater supply sources. Priority must be placed on drinking water supply management areas where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, that are mitigation level 1 or 2 under the groundwater protection rule, where drinking water protection plans developed by Tribal governments have identified high vulnerability, or where drinking water protection plans have identified specific activities that will achieve long-term protection. Up to \$200,000 is for deposit in a conservation easement stewardship account

established according to Minnesota Statutes, section 103B.103.

(h) \$100,000 the first year and \$100,000 the second year are for a technical evaluation panel to conduct restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) \$500,000 the first year and \$500,000 the second year are for assistance to, oversight of, and agreements with local governments to enhance and update comprehensive watershed management plans developed under Minnesota Statutes, section 103B.801.

(j) \$1,000,000 the first year and \$1,000,000 the second year are for technical and financial assistance for the conservation drainage program, in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, and including projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(k) \$500,000 the first year and \$500,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to \$60,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(l) \$425,000 the first year and \$425,000 the second year are to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind, and track adoption of conservation measures, including cover crops, to address erosion. This appropriation may be used for agreements with the University of Minnesota to complete this work.

(m) \$500,000 the first year and \$500,000 the second year are for implementing a water legacy program to expand partnerships for clean water.

(n) \$2,500,000 the first year and \$2,500,000 the second year are for permanent conservation easements to protect and restore wetlands and associated uplands. Up to \$100,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103.

(o) \$3,560,000 the first year and \$5,926,000 the second year are for financial and technical assistance to enhance adoption of cover crops and other soil health practices to achieve water quality or drinking water benefits. The board may use agreements with local governments, the United States Department of Agriculture, AgCentric at Minnesota State Center for Excellence, and other practitioners and partners to accomplish this work. Up to \$450,000 is for an agreement with the University of Minnesota Office for Soil Health for applied research and education on Minnesota's agroecosystems and soil health management systems. This appropriation may be extended to leverage available federal funds.

(p) \$750,000 the first year and \$750,000 the second year are to contract for delivery of services with Conservation Corps Minnesota and Iowa for restoration, maintenance, training, and other activities consistent with this section.

(q) \$500,000 the first year and \$500,000 the second year are to provide support to soil and water conservation districts and other local governments and partner organizations in the Lake Superior basin to leverage Great Lakes Restoration Initiative or other federal funding to implement prioritized activities.

(r) The board may shift funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds, to facilitate oversight responsibilities, or to address high-priority activities identified by the board consistent with local water management plans.

(s) The board must require grantees to specify the outcomes that will be achieved by the grants.

(t) The appropriations in this section are available until June 30, 2030, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned funds must be repurposed consistent with the purposes of this section.

Sec. 7. DEPARTMENT OF HEALTH

\$

14,295,000 \$

15,845,000

(a) \$5,925,000 the first year and \$5,925,000 the second year are to develop health risk limits and other health-based guidance and conduct outreach activities for contaminants found or anticipated to be found in Minnesota drinking water; to accredit private laboratories to conduct analyses for these contaminants; and to increase the capacity of the department's laboratory to analyze for these contaminants.

(b) \$2,300,000 the first year and \$3,700,000 the second year are for ensuring safe drinking water for private well users in southeast Minnesota and statewide by designing and implementing voluntary interventions to reduce health risks to private well users, including identifying private well locations, studying the occurrence and magnitude of contaminants in private wells, developing guidance and conducting outreach and education about well testing and mitigation, awarding grants to local governments, and offering well testing.

(c) \$3,770,000 the first year and \$3,920,000 the second year are for protecting sources of drinking water, including planning, implementation, and monitoring activities and grants to local governments and public water systems.

(d) \$1,750,000 the first year and \$1,750,000 the second year are to develop and deliver groundwater restoration and protection strategies on a watershed scale for use in local comprehensive water planning efforts, to provide resources to local governments for activities that sustain groundwater and protect sources of drinking water, and to enhance approaches that improve the capacity of local governmental units to protect and restore groundwater resources.

(e) \$250,000 the first year and \$250,000 the second year are to develop public health policies and approaches to address threats to safe drinking water, including implementation of a statewide action plan for protecting drinking water.

(f) \$300,000 the first year and \$300,000 the second year are for optimizing the statewide recreational water portal that includes an inventory of public beaches and information about local monitoring results and closures and that provides information about preventing illness and recreational water stewardship.

(g) Unless otherwise specified, the appropriations in this section are available until June 30, 2029.

Sec. 8. METROPOLITAN COUNCIL

\$ 2,025,000 \$ 2,125,000

(a) \$1,375,000 the first year and \$1,375,000 the second year are to support communities implementing projects that address emerging drinking water supply threats and overall water sustainability, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation

of wellhead protection plans, and prevent degradation of groundwater and surface water resources. These activities will provide communities with:

(1) potential solutions to better connect land use impacts on water supply and overall water sustainability;

(2) ways to balance regional water use by using surface water, stormwater, wastewater, and groundwater;

(3) an analysis of infrastructure requirements needed to maintain and strengthen the reliability of water systems;

(4) development of planning-level cost estimates, including capital costs and operating costs;

(5) funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects;

(6) information and tools to use to address climate change impacts on overall water supply systems and overall water sustainability; and

(7) ways to reduce impacts on the groundwater system through stormwater reuse grants to assist communities in reducing water use.

(b) \$650,000 the first year and \$750,000 the second year are for grants that implement water demand reduction measures. The grants are to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies.

Sec. 9. UNIVERSITY OF MINNESOTA

\$

1,000,000 \$

1,400,000

(a) \$400,000 the first year and \$400,000 the second year are for developing Part A of

county geologic atlases. This appropriation is available until June 30, 2030.

(b) \$600,000 the first year and \$1,000,000 the second year are for a program to evaluate performance and technology transfer for stormwater best management practices, to evaluate best management performance and effectiveness to support meeting total maximum daily loads, to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model, and to implement a system to transfer knowledge and technology across the local government, industry, and regulatory sectors. This appropriation is available until June 30, 2032.

Sec. 10. <u>PUBLIC FACILITIES AUTHORITY</u>	<u>\$</u>	<u>8,240,000</u>	<u>\$</u>	<u>8,300,000</u>

(a) \$8,190,000 the first year and \$8,250,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2032.

(b) \$50,000 the first year and \$50,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2032.

(c) If there is any uncommitted money at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section according to a project's priority rank on the Pollution Control Agency's project priority list.

Sec. 11. <u>LEGISLATURE</u>	<u>\$</u>	<u>7,000</u>	<u>\$</u>	<u>-0-</u>

\$7,000 the first year is for the Legislative Coordinating Commission for the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 12. Minnesota Statutes 2024, section 114D.30, subdivision 7, is amended to read:

Subd. 7. **Reports to legislature.** By January 15 each odd-numbered year, the council must submit a report to the legislature that includes:

- (1) a summary of the activities for which money has been or will be spent in the current biennium;
- (2) the recommendations required under subdivision 6 for how money in the clean water fund should be spent in the next biennium, broken out by fiscal year and including recommended legislative bill language; and
- (3) the impact on economic development of the implementation of efforts to protect and restore groundwater and the impaired waters program.

Sec. 13. ASH RIVER SANITARY SEWER COLLECTION AND TREATMENT SYSTEM APPROPRIATION EXTENSION.

The portion of the appropriation in Laws 2019, First Special Session chapter 2, article 2, section 5, paragraph (h), as amended by Laws 2021, First Special Session chapter 1, article 2, section 18, for the Ash River Sanitary Sewer Collection and Treatment System is available until June 30, 2026.

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

ARTICLE 3

PARKS AND TRAILS FUND

Section 1. PARKS AND TRAILS FUND APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the parks and trails 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 the figure 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. These are onetime appropriations.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. PARKS AND TRAILS FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>61,434,000</u>	<u>\$</u>	<u>68,733,000</u>

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

Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2028, and fiscal year 2027 appropriations are available until June 30, 2029. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

Where appropriate, grant recipients of parks and trails funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

Subd. 4. Energy and Water Conservation

Grant recipients of parks and trails funds should prioritize water and energy conservation technology and the use of renewable energy for construction and building projects funded with an appropriation made in this article.

Sec. 3. DEPARTMENT OF NATURAL RESOURCES**\$****37,120,000****\$****41,511,000**

(a) \$24,310,000 the first year and \$27,222,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth the opportunity to experience the outdoors with similar peers.

(c) \$12,196,000 the first year and \$13,611,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the Greater Minnesota Regional Parks and Trails Strategic Plan adopted by the Greater Minnesota Regional Parks and Trails Commission on April 22, 2015. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$500,000 the first year and \$500,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to

carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(d) By January 15, 2026, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2027 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(e) By January 15, 2026, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(f) \$614,000 the first year and \$678,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(g) The commissioner must contract for services with Conservation Corps Minnesota and Iowa for restoration, maintenance, and other activities under this section for at least \$850,000 the first year and \$850,000 the second year.

(h) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps

Minnesota and Iowa for restoration, maintenance, and other activities.

(i) In addition to the requirements under paragraph (g), the commissioner should work to provide other opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this section.

Sec. 4. METROPOLITAN COUNCIL

\$ 24,310,000 \$ 27,222,000

(a) \$24,310,000 the first year and \$27,222,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section must give consideration to contracting with Conservation Corps Minnesota and Iowa for restoration, maintenance, and other activities.

Sec. 5. LEGISLATURE

\$ 4,000 \$ -0-

\$4,000 the first year is for the Legislative Coordinating Commission for the website

required under Minnesota Statutes, section 3.303, subdivision 10.

**Sec. 6. PARKS AND TRAILS FUND
APPROPRIATION EXTENSIONS**

The availability of the grant to Goodhue County for the Cannon Valley Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to Stearns County for the Beaver Island Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Winona for the Bluffs Traverse Trail project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Austin for the Jay C. Hormel Nature Center project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

The availability of the grant to the city of Duluth for the Spirit Mountain Recreation Area project from the parks and trails fund fiscal year 2023 appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

The availability of the grant to the city of Duluth for the Waabizheshikana/Marten Trail project from the parks and trails fund fiscal

year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

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

Sec. 7. **CANCELLATIONS**

(a) The unobligated balance from the parks and trails fund appropriation under Laws 2019, First Special Session, chapter 2, article 3, section 3, paragraph (b), for grants estimated to be \$10,000 is canceled to the parks and trails fund no later than June 30, 2025.

(b) The unobligated balance from the parks and trails fund appropriation under Laws 2021, First Special Session, chapter 1, article 3, section 3, paragraph (b), for grants estimated to be \$31,000 is canceled to the parks and trails fund no later than June 30, 2025.

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

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2026" and "2027" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2026, and 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. All appropriations in this article are onetime.

APPROPRIATIONS

Available for the Year

Ending June 30

2026

2027

Sec. 2. ARTS AND CULTURAL HERITAGE

Subdivision 1. <u>Total Appropriation</u>	\$	<u>85,293,000</u>	\$	<u>94,618,000</u>

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

Subd. 2. Availability of Appropriation

Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2027, and fiscal year 2027 appropriations are available until June 30, 2028. Water and energy conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. MINNESOTA STATE ARTS BOARD

Subdivision 1. <u>Total Appropriation</u>	\$	<u>37,686,000</u>	\$	<u>46,872,000</u>

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

Subd. 2. Grant Agreements

The amounts in this section are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the

Minnesota State Arts Board and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

Subd. 3. **Arts and Arts Access Initiatives**

29,669,000

37,978,000

\$29,669,000 the first year and \$37,978,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. Grants provided under this subdivision must prioritize artists and arts organizations that plan to present art from communities that have been historically underrepresented in the arts or that improve access to the programs and projects for groups, including youth and historically underserved communities, that have struggled to access arts programming in the past.

Subd. 4. **Arts Education**

6,013,000

6,670,000

\$6,013,000 the first year and \$6,670,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. Priority in the award of grants under this subdivision must be given to providing educational opportunities to underserved communities with grants for organizations or entities providing opportunities to K-12 students throughout the state for arts

education, including access to arts instruction, arts programming, museums, and arts presentations.

Subd. 5. Arts and Cultural Heritage

2,004,000

2,224,000

\$2,004,000 the first year and \$2,224,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

Subd. 6. Administrative Costs

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 to 5 each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 7. Regional Arts Councils

Thirty percent of the remaining total appropriation to each of the categories listed in subdivisions 3 to 5 is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

Sec. 4. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$

17,618,000

\$

18,768,000

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

Subd. 2. Grant Agreements

(a) The amounts in this section are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and

its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Money directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2029. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using money from the arts and cultural heritage fund under this section must give consideration to Conservation Corps Minnesota and Iowa and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 and 4 each year is for administering grants and grant programs, delivering technical services, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. Historical Grants and Programs

16,493,000

17,643,000

(a) Statewide Historic and Cultural Grants

\$6,093,000 the first year and \$6,858,000 the second year are for statewide historic and cultural grants to local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Money must be distributed through a competitive grant process. The Minnesota Historical Society must administer the money using established grant mechanisms with assistance from the advisory committee created under Laws

2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(b) Statewide History Programs

\$6,775,000 the first year and \$7,160,000 the second year are for historic and cultural programs and purposes related to the heritage of the state.

(c) History Partnerships

\$2,875,000 the first year and \$2,875,000 the second year are for history partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(d) Statewide Survey of Historical and Archaeological Sites

\$375,000 the first year and \$375,000 the second year are for one or more contracts to be competitively awarded to conduct statewide surveys or investigations of Minnesota's sites of historical, archeological, and cultural significance. Results of the surveys or investigations must be published in a searchable form and available to the public cost-free. The Minnesota Historical Society, the Office of the State Archeologist, the Indian Affairs Council, and the State Historic Preservation Office must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys or investigations. The oversight board must consult with the Departments of Transportation and Natural Resources.

(e) Digital Library

\$375,000 the first year and \$375,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan

system and must jointly share this appropriation for these purposes.

Subd. 4. Grants

1,125,000

1,125,000

(a) \$1,000,000 each year is for grants to community-based organizations and local units of government for statues and memorials commemorating the historical significance and cultural contributions of Minnesotans and for buildings or structures that are considered historically significant to their local communities to improve access to the buildings or structures, to preserve the buildings or structures, or to enhance the use of the buildings or structures, including improving access to museums, music halls, opera houses, libraries, and sites celebrating diverse cultures and heritages throughout the state. Grant money not encumbered in the first year is available for statewide history programs in the second year. The Minnesota Historical Society must give priority consideration for funding under this paragraph to the city of St. Paul to design and construct a mural and statue honoring Tou Ger Xiong at Lake Phalen's Tou Ger Xiong Island in St. Paul, the city of Marshall to replace the historic bandshell at Liberty Park, the George Stoppel Farmstead, the Serbian Home in South St. Paul, the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake, the Fairmont Opera House for structural beam repair, and the Litchfield Opera House for expanding and installing balcony seating.

(b) \$125,000 the first year and \$125,000 the second year are for a grant to Special Guerrilla Units Veterans and Families of USA, Inc. to collect, document, archive, and preserve the oral histories of Hmong veterans of the United States-sponsored Secret War in Laos and to create programming and educational resources to teach the public and future generations about the history, legacy,

and cultural heritage of the Hmong in Minnesota.

Sec. 5. <u>DEPARTMENT OF EDUCATION</u>	<u>\$</u>	<u>2,700,000</u>	<u>\$</u>	<u>2,700,000</u>

\$2,700,000 the first year and \$2,700,000 the second year are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this section should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this section, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as grants or contracts in this section are available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to two percent of the amount in this section is for administering the grants in this section.

Sec. 6. **DEPARTMENT OF ADMINISTRATION**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>9,105,000</u>	<u>\$</u>	<u>10,505,000</u>

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

Subd. 2. Grant Agreements

(a) The amounts in this section are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this section.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this section must ensure that money appropriated in this section is used to supplement and not substitute for traditional sources of funding.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the amounts in subdivision 3 are for administering the grants, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. Grants

9,105,000

10,505,000

(a) Minnesota Public Radio

\$1,000,000 the first year and \$1,000,000 the second year are for Minnesota Public Radio. This appropriation must be used only to create and share programming on Minnesota's arts and cultural heritage and history.

(b) Association of Minnesota Public Educational Radio Stations

\$1,557,000 the first year and \$2,057,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(c) Public Television

\$3,686,000 the first year and \$4,686,000 the second year are to the Minnesota Public

Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

(d) Como Park Zoo

\$1,520,000 the first year and \$1,520,000 the second year are to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(e) Great Lakes Aquarium

\$200,000 the first year and \$200,000 the second year are to the Great Lakes Aquarium for a lake sturgeon project, including an exhibit and public education on lake sturgeon, in cooperation with the commissioner of natural resources, Fond du Lac Band of Lake Superior Chippewa, and United States Fish and Wildlife Services.

(f) The Bakken Museum

\$75,000 the first year and \$75,000 the second year are for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(g) Wilderness Inquiry

\$485,000 the first year and \$485,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(h) Science Museum of Minnesota

\$350,000 the first year and \$350,000 the second year are to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) Lake Superior Zoo

\$132,000 the first year and \$132,000 the second year are to the Lake Superior Zoo to develop educational exhibits and programs.

(j) Minnesota African American Heritage Museum and Gallery

\$100,000 the first year is for a grant to the Minnesota African American Heritage Museum and Gallery for cultural programming.

Sec. 7. <u>MINNESOTA ZOO</u>	<u>\$</u>	<u>1,700,000</u>	<u>\$</u>	<u>1,700,000</u>

The amounts in this section are appropriated to the Minnesota Zoological Board for programs at and development of the Minnesota Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

Sec. 8. MINNESOTA HUMANITIES CENTER

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>14,424,000</u>	<u>\$</u>	<u>12,018,000</u>

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

Subd. 2. Grant Agreements

(a) The amounts in this section are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this section. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Minnesota Humanities Center may use up to 5.5 percent of the appropriations for the administration of these funds and to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants under this section and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota

Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

(b) No grants awarded under this section may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

Subd. 3. **Programs**

2,525,000

2,500,000

(a) \$2,500,000 the first year and \$2,500,000 the second year are for statewide humanities programs and to support and expand outreach, partnerships, and humanities programming with organizations and individuals throughout the state, including but not limited to programming related to veterans and the military experience, professional development opportunities for educators, and programming celebrating, representing, and reflecting upon the heritage of diverse Minnesota communities that have been historically underserved.

(b) \$25,000 the first year is for outreach and education on the humanities center grant program with a focus on reaching underserved community organizations and providing assistance with grant opportunities, qualifications, and reporting requirements, and specifically providing technical assistance and a nontraditional application process to improve access to grant funding.

Subd. 4. **Children's Museum Grants**

1,250,000

1,250,000

(a) \$1,250,000 the first year and \$1,250,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs. The Minnesota Humanities Center must administer this money using established grant mechanisms.

(b) Of the amount in paragraph (a), \$500,000 each year is for the Minnesota Children's Museum, St. Paul.

(c) Of the amount in paragraph (a), \$750,000 each year is for competitive grants. The Minnesota Humanities Center must give priority consideration for the grants to The Works, Bloomington; WonderTrek Children's Museum, Brainerd-Baxter; Children's Discovery Center, Breckenridge; Duluth Children's Museum, Duluth; Otter Cove Children's Museum, Fergus Falls; Children's Discovery Museum, Grand Rapids; Wheel and Cog Children's Museum, Hutchinson; Children's Museum of Southern Minnesota, Mankato; Great River Children's Museum, St. Cloud; The Village Children's Museum, Willmar; Mini Sota Ag Museum, Benson; and SPARK Children's Museum, Rochester.

**Subd. 5. Community Identity and Heritage
Competitive Grant Program**

8,799,000

7,368,000

(a) \$8,799,000 the first year and \$7,368,000 the second year are for a competitive grant program to provide funding to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of the many diverse cultural groups that make up Minnesota, including but not limited to Indigenous organizations, communities whose culture and heritage have been historically underrepresented, recent immigrant communities, and veterans. An individual or organization that receives a grant under this subdivision must do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming, including

arts programming, by individuals and organizations; or

(4) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(b) The Minnesota Humanities Center must give priority consideration for grants to Art from the Inside, arts programs in the Moorhead and Maplewood cultural malls, the Asian Economic Development Association, Capri Theater, the Minnesota State Band, Fight for Your Dreams, HIRPHA International for Oromo youth programs, the Hmong Cultural Center, Midnimo, MN Zej Zog, People in Action, the Phyllis Wheatley Community Center, Safe Summer Nights, Siengkane Lao MN, the Stairstep Foundation, and the Walker West Music Academy.

(c) At least 75 percent of the amount in paragraphs (d) to (f) must be for grants of less than \$200,000. A grant awarded to an entity receiving priority consideration under paragraphs (d) to (f) must not exceed \$200,000.

(d) Of the amount in paragraph (a), \$1,500,000 each year is for grants to community-based organizations and local governments to support cultural festivals and events throughout the state. The funding may support arts and cultural programming, staffing, community outreach, transportation, facilities and equipment rentals, signage, and public safety expense reimbursements. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to the Somali Museum Annual Celebration, Twin Cities Jazz Fest, Selby Avenue Jazz Fest, the International Hmong Freedom Festival, Cinco de Mayo festival, and Rondo Days in St. Paul; the Hiddo Soor International Somali Cultural Festival in Plymouth; Somali Independence Day in St. Paul; sesquicentennial celebrations in Osseo

and Delano; Taste of Minnesota; and IgboFest Minnesota.

(e) Of the amount in paragraph (a), \$750,000 the first year and \$750,000 the second year are for grants to community-based organizations and local governments for museums, exhibits, and collections.

(f) Of the amount in paragraph (a), \$250,000 the first year and \$250,000 the second year are for grants to provide funding to ethnic media organizations creating video content in a language other than English.

Subd. 6. Minnesota Musicians

200,000

200,000

\$200,000 each year is for a competitive grant program to award grants to Minnesota musicians to create, produce, and perform music throughout the state.

Subd. 7. Youth Literary Grants

250,000

250,000

\$250,000 each year is for competitive grants to individual authors and organizations creating and producing books. The grants under this subdivision must be used for the creation and distribution of books for youth that celebrate cultural expression with a focus on excellent creative work and educational value.

Subd. 8. Youth Poet Laureate

100,000

-0-

\$100,000 the first year is for a grant to a nonprofit to operate a statewide youth poet laureate program in coordination with the Minnesota Humanities Center. The program may provide creative writing outreach, programming, and events related to creative writing and must award a young person who is 13 to 19 years of age, through a competitive process similar to the National Youth Poet Laureate program, to be the Minnesota Youth Poet Laureate and provide opportunities to celebrate, mentor, and highlight the work of the Youth Poet Laureate and young writers in Minnesota.

Subd. 9. Grants350,000150,000**(a) (Neo)Muralismos de Mexico**

\$100,000 the first year is for a grant to (Neo)Muralismos de Mexico to expand arts programming that celebrates Latino cultural heritage through workshops and support to local artists through capacity building, professional development, networking, and presentation opportunities on Latino arts and culture.

(b) Lundstrum Center for the Performing Arts

\$100,000 the first year is for a grant to the Lundstrum Center for the Performing Arts for after-school educational programming that includes instruction in dance, voice, and drama.

(c) United Hmong Family

\$150,000 each year is for a grant to the United Hmong Family to provide dance and other arts and cultural programming.

Subd. 10. Community Identity and Heritage Emergency Grants300,000300,000

\$300,000 the first year and \$300,000 the second year are for emergency grants to organizations otherwise qualified to receive grants under subdivision 5 and must be awarded on a rolling basis based on emerging needs to assist communities responding to major events and to facilitate the process of grieving, encourage healing, create memorials, or assist in recovery of the community. Any amount described in the preceding sentence that is not expended by October 15 of the second year may be used for general programming costs or grants under subdivision 5.

Subd. 11. Underrepresented Groups Cultural Studies Materials400,000-0-

\$400,000 the first year is for competitive grants to develop high-quality academic,

cultural, and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this subdivision must work with school districts that intend to use the materials.

Subd. 12. Gordon Parks Commemoration

250,000

-0-

\$250,000 the first year is for a grant to create an art installation and programming to celebrate the incredible life and rich legacy of Gordon Parks.

Sec. 9. INDIAN AFFAIRS COUNCIL

\$

1,305,000 \$

1,305,000

(a) \$650,000 each year is to provide grants to Minnesota Tribal Nations to preserve Dakota and Ojibwe Indian language and to foster education programs and services for Dakota and Ojibwe language.

(b) \$525,000 each year is to provide grants to preserve the Dakota and Ojibwe Indian language through support of projects and services and to support educational programs and immersion efforts in Dakota and Ojibwe language.

(c) \$130,000 each year is for the Indian Affairs Council to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the Native American Graves Protection and Repatriation Act.

Sec. 10. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation

\$

750,000 \$

750,000

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

Subd. 2. County Fair Grants500,000500,000

\$500,000 the first year and \$500,000 the second year are for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants may be distributed in equal amounts to each of the county fairs that submitted an application. The grants are in addition to the aid distribution to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner of agriculture must develop grant-making criteria and guidance for expending money under this subdivision to provide funding for projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage. The commissioner must seek input from all interested parties. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of the amounts in this subdivision for the administration and distribution of the grants. Money not used in the first year may be used in the second year.

Subd. 3. Minnesota FFA250,000250,000

(a) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota FFA to provide new and expanded access for Minnesota FFA members involved in art- and history-related FFA activities. Of this amount:

(1) up to \$100,000 each year may be used to document and commemorate 100 years of fostering leadership, agricultural education, and community service across the state by creating a history book, video storytelling series, and an in-person arts-focused event; and

(2) any amount not spent for the purposes described in clause (1) may be used for other activities that provide new and expanded

access for Minnesota FFA members involved in art- and history-related FFA activities, including activities related to national and state FFA band and choir, state and national FFA talent competitions, FFA floriculture, and FFA state fair landscape booths.

(b) The commissioner of agriculture must develop grant-making criteria and guidance for grants under this subdivision to provide funding for projects and events and must seek input from the Minnesota FFA and Minnesota FFA Foundation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to five percent of the amounts in this subdivision to cover the costs of administering, planning, evaluating, and reporting these grants.

Sec. 11. LEGISLATIVE COORDINATING COMMISSION

\$

5,000 \$

-0-

The amount in this section is appropriated to the Legislative Coordinating Commission to maintain the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 12. Minnesota Statutes 2024, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the

Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the website required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's website home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the website must direct the person to a web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission website required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

(i) Any state agency or organization requesting a direct appropriation from the arts and cultural heritage fund must inform the house of representatives and senate committees having jurisdiction over the arts and cultural heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose and provide a copy of the most recent year's Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax.

Sec. 13. Minnesota Statutes 2024, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. **Construction costs.** Money from the arts and cultural heritage fund must not be appropriated to fund new construction or for capital construction projects, including major renovations or long-term building projects, with the exception of preservation of historic structures or sites. This prohibition does not apply to:

(1) accessibility accommodations;

(2) the creation of exhibits or installations; and

(3) renovations to provide care for collections or facilitate exhibits, installations, or other projects funded with arts and cultural heritage fund appropriations.

Sec. 14. Laws 2023, chapter 40, article 4, section 2, subdivision 5, is amended to read:

Subd. 5. Department of Education	3,000,000	2,750,000

(a) \$2,750,000 each year is appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this subdivision should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this subdivision, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, ~~2025~~ 2026, as grants or contracts in this subdivision are available until June 30, ~~2026~~ 2027.

(b) \$250,000 the first year is appropriated to the commissioner of education for a water safety grant program. The commissioner of education must allocate grants to eligible applicants. Eligible applicants include nonprofit organizations and city and county parks and recreation programs providing swimming lessons to youth. Eligible

applicants are not required to partner with other entities. Grant funds must primarily be used to provide scholarships to low-income and at-risk children for swimming lessons. Up to 15 percent of the grant funds may also be used to hire water safety instructors or lifeguards or train water safety instructors or lifeguards in nationally recognized water safety practices and instruction.

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

Sec. 15. Laws 2023, chapter 40, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. Department of Administration	17,040,000	14,105,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) Minnesota Public Radio

\$2,050,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(d) Association of Minnesota Public Educational Radio Stations

\$2,050,000 the first year and \$2,050,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(e) Public Television

\$5,000,000 the first year and \$4,500,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. Of the amount in the first year, \$1,000,000 is for producing Minnesota military and veterans' history stories and unique immigrant stories from around the state.

(f) Wilderness Inquiry

\$500,000 the first year and \$600,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(g) Como Park Zoo

\$1,725,000 each year is to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(h) Science Museum of Minnesota

\$825,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) Appetite for Change

\$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) Lake Superior Zoo

\$150,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(k) Great Lakes Aquarium

\$250,000 each year is to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(l) State Band

\$25,000 the first year and \$25,000 the second year are to the Minnesota state band to provide free concerts throughout the state.

(m) Veterans Memorial Park in Wyoming

\$100,000 the first year is for a grant to the city of Wyoming to build the Veterans Memorial Plaza and related interpretive walk in Railroad Park.

(n) Great Northern Festival

\$75,000 the first year and \$75,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) Governor's Council on Developmental Disabilities

\$50,000 the first year is to the Minnesota Governor's Council on Developmental Disabilities to continue to preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) Minnesota Council on Disability

\$125,000 the first year and \$125,000 the second year are to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the

Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) Keller Regional Park

\$500,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) Vietnam War Anniversary

\$250,000 the first year is for a grant to the commissioner of veterans affairs to prepare and host a commemoration program for the 50th anniversary of the Vietnam War.

(s) St. Paul Cultural Art Installation

\$500,000 the first year is for a grant to ~~the city of St. Paul~~ Forecast Public Art for an art installation celebrating Olympic gold medalist Suni Lee. The project funded by this paragraph must be located in St. Paul at the Conway Recreation Center or, if that site is not practicable, at Lake Phalen at the platform containing the bust of Suni Lee. This appropriation is available until June 30, 2027.

(t) One Heartland Center

\$50,000 each year is for a grant to One Heartland Center for programming and outdoor activities for families and youth in Minnesota.

(u) Forest Lake Veterans Memorial

\$100,000 the first year is for a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake. This appropriation is available until June 30, 2027.

(v) Hmong Plaza

\$450,000 the first year is for a grant to the city of St. Paul to construct the Hmong Plaza at Phalen Lake.

(w) Camille Gage Artist Fellowship

\$55,000 the first year and \$55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to \$5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(x) Minnesota African American Heritage Museum and Gallery

\$235,000 the first year and \$125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, \$110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

(y) Tibetan American Foundation of Minnesota

\$25,000 the first year and \$25,000 the second year are for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota.

(z) Hong De Wu Guan

\$25,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth.

(aa) Sepak Takraw of USA

\$50,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events.

(bb) 30,000 Feet

\$75,000 the first year and \$75,000 the second year are for a grant to 30,000 Feet, a nonprofit organization, to help youth and community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts.

(cc) Siengkane Lao Minnesota

\$50,000 the first year and \$50,000 the second year are for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances.

(dd) Hmong Cultural Center

\$150,000 the first year and \$150,000 the second year are for a grant to the Hmong Cultural Center of Minnesota for museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(ee) Comunidades Latinas Unidas En Servicio

\$250,000 the first year and \$250,000 the second year are for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities.

(ff) Hmong RPA Writing System

\$300,000 the first year and \$300,000 the second year are for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. Grants must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events. This appropriation is available until June 30, 2028.

(gg) Somali Museum of Minnesota

\$125,000 the first year and \$125,000 the second year are for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota.

(hh) Minnesota Museum of American Art

\$200,000 the first year and \$200,000 the second year are for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum.

(ii) Fanka Programs

\$250,000 the first year and \$250,000 the second year are for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

(jj) The Bakken Museum

\$150,000 the first year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(kk) 4-H Shooting Sports

\$50,000 the first year is to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

(ll) Public Art Saint Paul

\$75,000 each year is for a grant to Public Art Saint Paul for art programming at the Wakpa Triennial Art Festival to showcase new art across the Twin Cities by Minnesota artists in outdoor and indoor settings and to encourage visitors to experience the arts and culture produced by local arts and culture organizations.

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

Sec. 16. Laws 2024, chapter 106, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. Minnesota Historical Society

-0-

1,201,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime.

(b) Grants

(1) \$100,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding. Any remaining amount not used to facilitate the purchase of the slippers by the state may be used as a grant to the Judy Garland Children's Discovery Museum to create an exhibit highlighting the history and cultural relevance of the slippers;

(2) \$400,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(3) \$200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs;

(4) \$200,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the

impact of this grant and of collaboration with statewide partners;

(5) \$50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House; and

(6) \$251,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum.

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

Delete the title and insert:

"A bill for an act relating to legacy; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; extending prior appropriations; providing for leveraging federal grant money; modifying reporting requirements; modifying accountability and eligible projects provisions; amending Minnesota Statutes 2024, sections 97A.056, by adding a subdivision; 114D.30, subdivision 7; 129D.17, subdivision 2, by adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivisions 5, 6; Laws 2024, chapter 106, article 4, section 2, subdivision 6."

We request the adoption of this report and repassage of the bill.

House Conferees: Samantha Vang, Samakab Hussein, Joe McDonald, Roger Skraba

Senate Conferees: Founng Hawj, Jennifer McEwen, Susan Pha, Zaynab Mohamed

Senator Hawj moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2563 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2563 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 37 and nays 30, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Rest
Carlson	Gustafson	Lang	Murphy	Seeberger
Champion	Hauschild	Latz	Nelson	Westlin
Clark	Hawj	Mann	Oumou Verbeten	Wiklund
Coleman	Housley	Marty	Pappas	Xiong
Cwodzinski	Johnson Stewart	Maye Quade	Pha	
Dibble	Klein	McEwen	Port	
Fateh	Kunesh	Mitchell	Putnam	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Frentz, Hauschild, Mann, Marty, McEwen, Murphy, Port, Putnam, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Housley.

Those who voted in the negative were:

Abeler	Drazkowski	Hoffman	Lieske	Rarick
Anderson	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Dahms	Green	Johnson	Mathews	Weber
Dornink	Gruenhagen	Koran	Miller	Wesenberg
Draheim	Heintzeman	Kreun	Pratt	Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Duckworth, Gruenhagen, and Kreun.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 11:00 a.m., Monday, May 19, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate