

STATE OF MINNESOTA

Journal of the Senate

NINETY-FOURTH LEGISLATURE

TWELFTH LEGISLATIVE DAY

St. Paul, Minnesota, Monday, March 17, 2025

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Sharon Day.

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

January 24, 2025

The Honorable Bobby Joe Champion
The Honorable Jeremy R. Miller
Co-Presiding Officers of the Senate

Dear Senator Champion and Senator Miller:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

CLEAN WATER COUNCIL

Christine Meyer, 322 High Forest St., Winona, in the county of Winona, effective January 29, 2025, for a term expiring on January 4, 2027.

Fran Miron, 15250 Homestead Ave., Hugo, in the county of Washington, effective January 29, 2025, for a term expiring on January 3, 2028.

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

March 7, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

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

CLEAN WATER COUNCIL

Eunice Biel, 24983 - 120th St., Harmony, in the county of Fillmore, effective March 12, 2025, for a term expiring on January 4, 2027.

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

Sincerely,
Tim Walz, Governor

REPORTS OF COMMITTEES

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

Senator Latz from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 209: A bill for an act relating to taxation; repealing the tax on illegal cannabis and controlled substances; making related technical changes; amending Minnesota Statutes 2024, section 609.902, subdivision 4; repealing Minnesota Statutes 2024, sections 13.4967, subdivision 5; 297D.01; 297D.02; 297D.03; 297D.04; 297D.05; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivisions 1, 1a, 2; 297D.10; 297D.11; 297D.12; 297D.13.

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

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 204: A bill for an act relating to public safety; clarifying eligibility for certain expungements or resentencings involving past cannabis crimes; amending Minnesota Statutes 2024, section 609A.06, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 609A.06, subdivision 3, is amended to read:

Subd. 3. **Eligibility; cannabis offense.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following a first-, second-, third-, fourth-, or fifth-degree controlled substance crime involving the sale or possession of marijuana or tetrahydrocannabinols:

~~(i) section 152.021, subdivision 1, clause (6);~~

~~(ii) section 152.021, subdivision 2, clause (6);~~

~~(iii) section 152.022, subdivision 1, clause (5), or clause (7), item (iii);~~

~~(iv) section 152.022, subdivision 2, clause (6);~~

~~(v) section 152.023, subdivision 1, clause (5);~~

~~(vi) section 152.023, subdivision 2, clause (5);~~

~~(vii) section 152.024, subdivision (4); or~~

~~(viii) section 152.025, subdivision 2, clause (1) under Minnesota Statutes 2023 Supplement, section 152.021, 152.022, 152.023, 152.024, or 152.025, or a previous version of those or any other statutes criminalizing the possession, sale, transportation, or cultivation of marijuana or tetrahydrocannabinols;~~

(2) the offense did not involve a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(3) the act on which the charge was based would either be a lesser offense or no longer be a crime after August 1, 2023; and

(4) the person did not appeal the conviction, any appeal was denied, or the deadline to file an appeal has expired.

(b) A person is eligible for an expungement for any other offense charged along with the underlying crime described in paragraph (a) if the charge was either dismissed or eligible for expungement under section 609A.055.

(c) For purposes of this subdivision, a "lesser offense" means a nonfelony offense if the person was charged with a felony.

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

Sec. 2. Minnesota Statutes 2024, section 609A.06, subdivision 7, is amended to read:

Subd. 7. **Review and determination.** (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication or charge is eligible for an expungement or resentencing to a lesser offense. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

(b) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether a person's conviction should be vacated and charges should be dismissed.

(c) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 5a, apply.

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply.

(e) If the Cannabis Expungement Board determines that an expungement is not in the public interest, the board shall determine whether the person is eligible for resentencing to a lesser offense.

(f) In making a determination under this subdivision, the Cannabis Expungement Board shall consider:

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(2) whether an expungement or resentencing the person a lesser offense would increase the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) whether the person was also charged with other offenses in addition to the underlying crime, the disposition of those other charges, and other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health; Department of Children, Youth, and Families; or Department of Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

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

Sec. 3. Minnesota Statutes 2024, section 609A.06, subdivision 10, is amended to read:

Subd. 10. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction or stay of adjudication or charge that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

(1) the name and date of birth of a person whose conviction or stay of adjudication is eligible for an order of expungement or resentencing to a lesser offense;

(2) the court file number of the eligible conviction or stay of adjudication;

(3) whether the person is eligible for an expungement;

(4) if the person is eligible for an expungement, whether the person's conviction should be vacated and charges should be dismissed;

(5) if the person is eligible for an expungement, whether there is good cause to restore the offender's right to possess firearms and ammunition;

(6) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply; ~~and~~

(7) if the person is eligible for an expungement, whether the expungement should also apply to any other offenses charged in addition to the underlying crime; and

(8) if the person is eligible for resentencing to a lesser offense, the lesser sentence to be imposed.

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph

shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

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

Sec. 4. Minnesota Statutes 2024, section 609A.06, subdivision 12, is amended to read:

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3, and any other offenses charged in addition to the underlying crime if identified by the Cannabis Expungement Board as eligible for expungement. In addition, the court shall order all records, including those pertaining to probation, incarceration, or supervision, held by the Department of Corrections or local correctional officials sealed. The courts shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

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

Amend the title numbers accordingly

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

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

Senate Resolution No. 15: A Senate resolution expressing the Minnesota Senate's condemnation of President Trump's pardon of criminal participants of the January 6 insurrection who had been found guilty of violent crimes.

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that Senate Resolution No. 15, be recommended to pass and be re-referred.

There were yeas 7 and nays 1, as follows:

Those who voted in the affirmative were:

Senators Carlson, Clark, Latz, Oumou Verbeten, Pappas, Seeberger, and Westlin.

Those who voted in the negative were:

Senator Westrom.

The motion prevailed.

Senator Hoffman from the Committee on Human Services, to which was referred

S.F. No. 2215: A bill for an act relating to human services; modifying the requirements for Waiver Reimagine; establishing the Legislative Task Force on Waiver Reimagine; making appointments; requiring a report; amending Laws 2021, First Special Session chapter 7, article 13, section 75, subdivisions 4, as amended, 5, as amended.

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

Page 5, line 2, after the period, insert "The chair of the Legislative Coordinating Commission shall make all appointments on behalf of the Legislative Coordinating Commission."

Page 5, delete lines 4 and 5 and insert "The task force must elect a chair and other officers it deems necessary from among the legislative members of the task force."

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

Senator Putnam from the Committee on Agriculture, Veterans, Broadband, and Rural Development, to which was referred

S.F. No. 1894: A bill for an act relating to veterans; requiring federal accreditation of veterans benefit services providers; prohibiting veterans benefit services providers from making a guarantee

of veterans benefits; providing for remedies under the Prevention of Consumer Fraud Act; providing for civil penalties; amending Minnesota Statutes 2024, section 197.6091.

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

Page 1, lines 9 and 10, delete the new language

Page 2, line 25, delete "Federal accreditation and" and delete "(a) A person who provides" and insert "A person seeking to receive compensation in connection with veterans benefit services or veterans benefit appeal services must, before rendering services, memorialize the specific terms regarding how and when compensation will be calculated and paid in a written agreement signed by both parties. A person advising, assisting, or counseling an individual regarding a veterans benefit service or veterans benefit appeal service must not charge an initial or nonrefundable fee."

Page 2, delete lines 26 to 32

Page 3, delete lines 1 to 6

Amend the title accordingly

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

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

S.F. No. 132: A bill for an act relating to taxation; property taxes; modifying exemption, valuation, and distribution provisions for certain electric cooperatives; amending Minnesota Statutes 2024, sections 272.02, subdivision 19; 273.38; 273.41.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2024, section 3.8855, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section;

(1) "commissioner" means the commissioner of revenue; and

(2) "significant tax expenditure," "tax," and "tax expenditure" have the meanings given in section 270C.11, subdivision 6.

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

Sec. 2. Minnesota Statutes 2024, section 3.8855, subdivision 3, is amended to read:

Subd. 3. **Membership.** (a) The commission consists of:

- (1) two senators appointed by the senate majority leader;
- (2) two senators appointed by the senate minority leader;
- (3) two representatives appointed by the speaker of the house;
- (4) two representatives appointed by the minority leader of the house of representatives; and
- (5) the commissioner of revenue or the commissioner's designee.

(b) Each appointing authority must make appointments by January 31 of the regular legislative session in the odd-numbered year.

(c) If the chair of the house or senate committee with primary jurisdiction over taxes is not an appointed member, the chair is an ex officio, nonvoting member of the commission.

(d) The commissioner may designate another individual to represent the commissioner or the commissioner's designee at any meeting of the commission.

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

Sec. 3. Minnesota Statutes 2024, section 3.8855, subdivision 8, is amended to read:

Subd. 8. **Terms; vacancies; meetings.** (a) Members of the commission serve a term beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term. Members may be removed or replaced at the pleasure of the appointing authority.

(b) If a commission member ceases to be a member of the legislative body from which the member was appointed, the member vacates membership on the commission.

(c) The commissioner of revenue must convene the first meeting of each year required under subdivision 4, paragraph (c).

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

Sec. 4. Minnesota Statutes 2024, section 10A.02, subdivision 11b, is amended to read:

Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may develop and maintain systems to enable treasurers to enter and store electronic records online for the purpose of complying with this chapter. Data entered into such systems by treasurers or their authorized agents is not government data under chapter 13 and may not be accessed or used by the board for any purpose without the treasurer's written consent. Data from such systems that has been submitted to the board as a filed report is government data under chapter 13.

(b) For purposes of administering the refund under section 290.06, subdivision 23, the board may access or use the following data entered and stored in an electronic reporting system and share

the data with the commissioner of revenue: (1) the amount of the contribution; (2) the name and address of the contributor; (3) any unique identifier for the contribution; (4) the name and campaign identification number of the party or candidate that received the contribution; and (5) the date on which the contribution was received. Data accessed, used, or maintained by the board under this paragraph are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 5. Minnesota Statutes 2024, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, ~~a supply of official refund receipt forms~~ receipts in an electronic format that state in boldface type that:

(1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in section 290.06, subdivision 23; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

~~The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. An official refund receipt must only be issued for a contribution of \$10 or more. Each receipt must be in an electronic format and include a unique receipt validation number that allows the commissioner of revenue to verify the information on the receipt with the Campaign Finance Board. A political party or candidate may provide a printed copy of the electronic receipt to the contributor.~~

(b) Once each business day, the board must provide the commissioner of revenue a receipt validation report. For each contribution reported to the board since the previous report, the report must include:

(1) the date and amount of the contribution;

(2) the name and address of the contributor;

(3) the name and campaign identification number of the party or candidate that received the contribution; and

(4) the receipt validation number assigned to the contribution.

~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(e)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(e)~~ (d) is a misdemeanor.

(f) A receipt validation report and a receipt validation number prepared pursuant to this section are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective for contributions made after December 31, 2026.

Sec. 6. Minnesota Statutes 2024, section 270C.445, subdivision 3, is amended to read:

Subd. 3. **Standards of conduct.** No tax preparer shall:

(1) without good cause fail to promptly, diligently, and without unreasonable delay complete a client's return;

(2) obtain the signature of a client to a return or authorizing document that contains blank spaces to be filled in after it has been signed;

(3) fail to sign a client's return when compensation for services rendered has been made;

(4) fail to provide on a client's return the preparer tax identification number when required under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

(5) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;

(6) fail to retain for at least four years a copy of a client's returns;

(7) fail to maintain a confidential relationship with clients or former clients;

(8) fail to take commercially reasonable measures to safeguard a client's nonpublic personal information;

(9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation relating to or in connection with the offering or provision of tax preparation services;

(10) require a client to enter into a loan arrangement in order to complete a client's return;

(11) claim credits or deductions on a client's return for which the tax preparer knows or reasonably should know the client does not qualify;

(12) report a household income on a client's claim filed under chapter 290A that the tax preparer knows or reasonably should know is not accurate;

(13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision 13, 20, 20a, 26, or 28;

(14) whether or not acting as a taxpayer representative, fail to conform to the standards of conduct required by Minnesota Rules, part 8052.0300, subpart 4;

(15) whether or not acting as a taxpayer representative, engage in any conduct that is incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;

(16) whether or not acting as a taxpayer representative, engage in any conduct that is disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;

(17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated refund for tax preparation services;

(18) under any circumstances, withhold or fail to return to a client a document provided by the client for use in preparing the client's return;

(19) take control or ownership of a client's refund by any means, including:

(i) directly or indirectly endorsing or otherwise negotiating a check or other refund instrument, including an electronic version of a check;

(ii) directing an electronic or direct deposit of the refund into an account unless the client's name is on the account; and

(iii) establishing or using an account in the preparer's name to receive a client's refund through a direct deposit or any other instrument unless the client's name is also on the account, ~~except that a taxpayer may assign the portion of a refund representing the Minnesota education credit available under section 290.0674 to a bank account without the client's name, as provided under section 290.0679;~~

(20) fail to act in the best interests of the client;

(21) fail to safeguard and account for any money handled for the client;

(22) fail to disclose all material facts of which the preparer has knowledge which might reasonably affect the client's rights and interests;

(23) violate any provision of section 332.37;

(24) include any of the following in any document provided or signed in connection with the provision of tax preparation services:

(i) a hold harmless clause;

(ii) a confession of judgment or a power of attorney to confess judgment against the client or appear as the client in any judicial proceeding;

(iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against a debtor;

(iv) an assignment of or an order for payment of wages or other compensation for services;

(v) a provision in which the client agrees not to assert any claim or defense otherwise available;

(vi) a waiver of any provision of this section or a release of any obligation required to be performed on the part of the tax preparer; or

(vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on a class basis; or

(25) if making, providing, or facilitating a refund anticipation loan, fail to provide all disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a form that may be retained by the client.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 7. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision to read:

Subd. 36. Discharges of indebtedness; coerced debt. The amount of discharge of indebtedness awarded to a claimant under section 332.74, subdivision 3, is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 8. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision to read:

Subd. 37. Foreign service pension; retirement pay. (a) Compensation received from a pension or other retirement pay from the federal government for service in the foreign service and established under United States Code, title 22, sections 4041 to 4069 and 4071, is a subtraction.

(b) The subtraction equals the product of:

(1) the amount of compensation received under paragraph (a); and

(2) the number of years of foreign service divided by the total number of years of civil service for which the taxpayer receives pension income.

(c) Any amount used to claim the subtraction in this subdivision must not be used to claim the subtraction in subdivision 34.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 9. Minnesota Statutes 2024, section 290.06, subdivision 23, is amended to read:

Subd. 23. Refund of contributions to political parties and candidates. (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum total refund per calendar year for an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed \$150. The commissioner must not issue a refund, whether in one payment or in aggregate, to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A refund of a contribution is allowed only if the taxpayer files:

(1) a form required by the commissioner and attaches to the form ~~a copy of~~ an official refund receipt ~~form~~ issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. ~~The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request; or~~

(2) a claim using the electronic filing system authorized in paragraph (i).

The form or claim must include one or more unique receipt validation numbers from receipts issued pursuant to section 10A.322, subdivision 4.

(b) A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. ~~A taxpayer may file only one claim per calendar year. A claim must be for a minimum of \$10.~~ Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

~~(c)~~ (d) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

~~(d)~~ (e) The commissioner shall make copies of the form available to the public and candidates upon request.

~~(e)~~ (f) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).~~

(i) The commissioner must establish an electronic filing system by which refunds are claimed.

EFFECTIVE DATE. This section is effective for contributions made after December 31, 2026.

Sec. 10. Minnesota Statutes 2024, section 290.0693, subdivision 1, is amended to read:

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

(b) "Combined exemption amount" means the sum of:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

~~(b)~~ (c) "Dependent" means any individual who is considered a dependent under sections 151 and 152 of the Internal Revenue Code.

~~(c)~~ (d) "Disability" has the meaning given in section 290A.03, subdivision 10.

~~(d)~~ (e) "Exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b).

~~(e)~~ (f) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. The gross rent of a resident of a nursing home or intermediate care facility is \$600 per month. The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner shall annually adjust the amounts in this paragraph as provided in section 270C.22. The statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

~~(f)~~ (g) "Homestead" has the meaning given in section 290A.03, subdivision 6.

~~(g)~~ (h) "Household" has the meaning given in section 290A.03, subdivision 4.

~~(h)~~ (i) "Household income" means all income received by all persons of a household in a taxable year while members of the household, other than income of a dependent.

~~(i)~~ (j) "Income" means adjusted gross income, minus:

(1) ~~for the taxpayer's first dependent, the exemption amount multiplied by 1.4~~ the taxpayer's combined exemption amount; and

(2) ~~for the taxpayer's second dependent, the exemption amount multiplied by 1.3; the amount of discharge of indebtedness subtracted under section 290.0132, subdivision 36.~~

(3) ~~for the taxpayer's third dependent, the exemption amount multiplied by 1.2;~~

(4) ~~for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;~~

(5) ~~for the taxpayer's fifth dependent, the exemption amount; and~~

(6) ~~if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.~~

~~(j)~~ (k) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 11. Minnesota Statutes 2024, section 290.0695, subdivision 1, is amended to read:

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

(b) "Credit certificate" means the certificate issued by the commissioner of transportation under subdivision 3, paragraph (a).

~~(b)~~ (c) "Eligible taxpayer" means any railroad that is classified by the United States Surface Transportation Board as a Class II or Class III railroad.

~~(c)~~ (d) "Eligible transferee" means any taxpayer subject to tax under this chapter or chapter 2971.

(e) "Eligible transferor" means an eligible taxpayer or a taxpayer to which the credit may be passed through under subdivision 4.

~~(d)~~ (f) "Qualified railroad reconstruction or replacement expenditures" means gross expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1, 2021. Qualified railroad reconstruction or replacement expenditures also includes new construction of industrial leads, switches, spurs and sidings and extensions of existing sidings in Minnesota by a Class II or Class III railroad.

(g) "Transfer credit certificate" means the certificate issued to a transferee by the commissioner under subdivision 3, paragraph (d).

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2023.

Sec. 12. Minnesota Statutes 2024, section 290.0695, subdivision 3, is amended to read:

Subd. 3. ~~Transferability~~ **Credit certificates; written agreement required; credit certificate transferability.** (a) To qualify for a credit under this section, an eligible taxpayer must apply to the commissioner of transportation for a credit certificate. The application for the credit certificate must be in the form and manner prescribed by the commissioner of transportation, in consultation with the commissioner. If the application is approved, the commissioner of transportation must issue the credit certificate to the eligible transferor designated in the application within 30 days of receipt of the application. The credit certificate must state, at a minimum, the number of miles of qualified railroad reconstruction or replacement expenditures in the taxable year and the total amount of credit calculated under the provisions of subdivision 2, paragraph (a). The commissioner of transportation must provide a copy of the credit certificate to the commissioner of revenue. The commissioner of transportation must not issue more than one credit certificate to an eligible transferor in a taxable year.

(b) By written agreement, an eligible taxpayer transferor may transfer the credit allowed under this section by written agreement to an eligible transferee. ~~The amount of the transferred credit is limited to the unused, remaining portion of the credit as follows:~~

(1) any amount of the credit allowed that is stated in the credit certificate before any of the credit is claimed; or

(2) the entire amount of the credit carryover in each of the five succeeding taxable years.

~~(b)~~ (c) The eligible taxpayer transferor and the eligible transferee must jointly file a copy of the written transfer agreement with the commissioner within 30 days of the transfer. The written agreement must contain the name, address, and taxpayer identification number of the parties to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures; the amount of credit being transferred; and the taxable year or years for which the transferred credit may be claimed.

~~(e)~~ (d) The commissioner must issue a transfer credit certificate to the transferee within 30 days of the joint filing of a copy of the written transfer agreement with the commissioner.

~~(d)~~ In the case of an audit or assessment, the transferee is liable for repayment of credits claimed in excess of the allowed amount.

(e) An eligible transferor must not transfer a credit to an eligible transferee more than once in a taxable year.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2023.

Sec. 13. Minnesota Statutes 2024, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given.

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(1)(D) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a person with a disability;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2;

(6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

(7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent not included in the addition required under clause (6); and

(8) to the extent not included in federal alternative minimum taxable income, the amount of foreign-derived intangible income deducted under section 250 of the Internal Revenue Code;

less the sum of the amounts determined under the following:

- (i) interest income as defined in section 290.0132, subdivision 2;
- (ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;
- (iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;
- (iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, 31, 34, ~~and to 35 and 37~~;
- (v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c); and
- (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122, subdivision 7.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code, except alternative minimum taxable income must be increased by the addition in section 290.0131, subdivision 16.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section, section 290.033, and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2024.

Sec. 14. **REPEALER.**

Minnesota Statutes 2024, sections 13.4967, subdivision 2a; and 290.0679, are repealed.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 2024, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; ~~or~~

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4; or

(7) property owned by a nonprofit conservation organization that is leased, loaned, or otherwise made available to a private individual, corporation, or association for grazing activities that further the nonprofit conservation organization's conservation objectives for the property.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes

assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2026.

Sec. 2. Minnesota Statutes 2024, section 272.02, subdivision 19, is amended to read:

Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution ~~lines and their attachments and appurtenances~~ systems, not including substations, or transmission or generation equipment, that are used primarily for supplying electricity to farmers at retail, are exempt.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025 and thereafter.

Sec. 3. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 106. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in 2025;

(2) is located in a city of the first class with a population greater than 400,000 as of the 2020 federal census;

(3) was on January 1, 2024, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota; and

(4) is used exclusively for Tribal purposes or institutions of purely public charity as defined in subdivision 7.

(b) Property that qualifies for the exemption under this subdivision is limited to one parcel that does not exceed 40,000 square feet. Property used for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption.

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 4. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 107. **Certain property owned by an Indian Tribe.** Property is exempt that:

(1) was classified as class 2b under section 273.13, subdivision 23, for taxes payable in 2025;

(2) is located within a county with a population greater than 5,580 but less than 5,620 according to the 2020 federal census;

(3) is located in an unorganized territory with a population less than 800 according to the 2020 federal census; and

(4) was on January 2, 2023, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota.

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 5. Minnesota Statutes 2024, section 273.124, subdivision 8, is amended to read:

Subd. 8. **Homestead owned by or leased to family farm corporation, joint family farm venture, limited liability company, or partnership.** (a) Each family farm corporation; each joint family farm venture; and each limited liability company or partnership which operates a family farm; is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner thereof who is residing on the land, and actively engaged in farming of the land owned by the family farm corporation, joint family farm venture, limited liability company, or partnership. Homestead treatment applies even if:

(1) legal title to the property is in the name of the family farm corporation, joint family farm venture, limited liability company, or partnership, and not in the name of the person residing on it; or

(2) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(i) the shareholder, member, or partner residing on and actively engaged in farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(ii) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

"Family farm corporation," "family farm," and "partnership operating a family farm" have the meanings given in section 500.24, except that the number of allowable shareholders, members, or partners under this subdivision shall not exceed ~~12~~ 18. "Limited liability company" has the meaning contained in sections 322C.0102, subdivision 12, and 500.24, subdivision 2, paragraphs (l) and (m). "Joint family farm venture" means a cooperative agreement among two or more farm enterprises authorized to operate a family farm under section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by family farm corporations, joint family farm ventures, limited liability companies, or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by its shareholders, members, or partners who are actively engaged in farming on behalf of that corporation,

joint farm venture, limited liability company, or partnership must also be assessed as class 2a property or as class 1b property under section 273.13.

(c) Agricultural property that is owned by a member, partner, or shareholder of a family farm corporation or joint family farm venture, limited liability company operating a family farm, or by a partnership operating a family farm and leased to the family farm corporation, limited liability company, partnership, or joint farm venture, as defined in paragraph (a), is eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually residing on the property, and is actually engaged in farming the land on behalf of that corporation, joint farm venture, limited liability company, or partnership. This paragraph applies without regard to any legal possession rights of the family farm corporation, joint family farm venture, limited liability company, or partnership under the lease.

(d) Nonhomestead agricultural property that is owned by a family farm corporation, joint farm venture, limited liability company, or partnership; and located not farther than four townships or cities, or combination thereof, from agricultural land that is owned, and used for the purposes of a homestead by an individual who is a shareholder, member, or partner of the corporation, venture, company, or partnership; is entitled to receive the first tier homestead classification rate on any remaining market value in the first homestead class tier that is in excess of the market value of the shareholder's, member's, or partner's class 2 agricultural homestead property, if the owner, or someone acting on the owner's behalf notifies the county assessor by July 1 that the property may be eligible under this paragraph for the current assessment year, for taxes payable in the following year. As used in this paragraph, "agricultural property" means property classified as 2a under section 273.13, along with any contiguous property classified as 2b under section 273.13, if the contiguous 2a and 2b properties are under the same ownership.

EFFECTIVE DATE. This section is effective for homestead applications in 2025 and thereafter.

Sec. 6. Minnesota Statutes 2024, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long

as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the agricultural property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) the owner, the owner's spouse, or a grandparent, grandchild, child, stepchild, sibling, or uncle, aunt, nephew, niece, parent, or stepparent of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

(3) both the owner of the agricultural property and the person who is actively farming the agricultural property under clause (2), are Minnesota residents;

(4) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

(5) neither the owner nor the person actively farming the agricultural property lives farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

The relationship under this paragraph may be either by blood or marriage.

(ii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(iii) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for

purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, Le Sueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8

shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;

(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

- (3) the same operator of the agricultural property is listed with the Farm Service Agency;
- (4) a Schedule F or equivalent income tax form was filed for the most recent year;
- (5) the property's acreage is unchanged; and
- (6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers or individual taxpayer identification numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

(2) the property is located in the county of Marshall;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 7. Minnesota Statutes 2024, section 273.13, subdivision 22, is amended to read:

Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$500,000 of market value of class 1a property has a net classification rate of one percent of its market value; and the market value of class 1a property that exceeds \$500,000 has a classification rate of 1.25 percent of its market value.

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by:

(1) any person who is blind as defined in section 256D.35, or the person who is blind and the spouse of the person who is blind;

(2) any person who is permanently and totally disabled or by the person with a disability and the spouse of the person with a disability; or

(3) the surviving spouse of a veteran who was permanently and totally disabled homesteading a property classified under this paragraph for taxes payable in 2008.

Property is classified and assessed under clause (2) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph, and that the property is not eligible for the valuation exclusion under subdivision 34.

Property is classified and assessed under paragraph (b) only if the commissioner of revenue or the county assessor certifies that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$50,000 market value of class 1b property has a net classification rate of .45 percent of its market value. The remaining market value of class 1b property is classified as class 1a or class 2a property, whichever is appropriate.

(c) Class 1c property is commercial use real and personal property that abuts public water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by the Department of Natural Resources, and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort, a partner in a partnership that owns the resort, or a member of a limited liability company that owns the resort even if the title to the homestead is held by the corporation, partnership, or limited liability company. For purposes of this paragraph, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. Class 1c property must provide recreational activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; provide marina services, launch services, or guide services; or sell bait and fishing tackle. Any unit in which the right to use the property is transferred to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies for class 1c even though it may remain available for rent. A camping pad offered for rent by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. If the same owner owns two separate parcels that are located in the same township, and one of those properties is classified as a class 1c property and the other would be eligible to be classified as a class 1c property if it was used as the homestead of the owner, both properties will be assessed as a single class 1c property; for purposes of this sentence, properties are deemed to be owned by the same owner if each of them is owned by a limited liability company, and both limited liability companies have the same membership. The portion of the property used as a homestead is class 1a property under paragraph (a). The remainder of the property is classified as follows: the first ~~\$600,000~~ \$1,500,000 of market value is tier I, the next ~~\$1,700,000~~ \$3,000,000 of market value is tier II, and any remaining market value is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and seasonal residential occupancy for recreation purposes in which all or a portion of the property was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated as class 1c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located must be designated as class 3a commercial. The owner of property desiring designation as class 1c property must provide guest registers or other records demonstrating that the units for which class 1c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same classification rates as class 1a property under paragraph (a).

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 8. Minnesota Statutes 2024, section 273.38, is amended to read:

273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.

The distribution ~~lines and the attachments and appurtenances thereto~~ systems, not including substations, or transmission or generation equipment, of cooperative associations organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof and supplemental thereto, and engaged in the electrical heat, light and power business, upon a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections 273.40 and 273.41.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025 and thereafter.

Sec. 9. Minnesota Statutes 2024, section 273.41, is amended to read:

273.41 AMOUNT OF TAX; DISTRIBUTION.

There is hereby imposed upon each such cooperative association on December 31 of each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon ~~distribution lines and the attachments and appurtenances thereto of such associations~~ that part of the association's distribution system, not including substations, or transmission or generation equipment, located in rural areas. The tax shall be payable on or before March 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein specified for the payment thereof, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270C.40 from the time such tax should have been paid until paid. The commissioner shall deposit the amount so received in the general fund of the state treasury.

EFFECTIVE DATE. This section is effective beginning with assessment year 2025 and thereafter.

Sec. 10. Minnesota Statutes 2024, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1995;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for the claimant and spouse;

(xii) to the extent not included in federal adjusted gross income, distributions received by the claimant or spouse from a traditional or Roth style retirement account or plan;

- (xiii) nontaxable scholarship or fellowship grants;
 - (xiv) alimony received to the extent not included in the recipient's income;
 - (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;
 - (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue Code;
- and
- (xvii) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

- (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- (2) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;
- (3) to the extent included in federal adjusted gross income, amounts contributed by the claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed the retirement base amount reduced by the amount of contributions excluded from federal adjusted gross income, but not less than zero;
- (4) surplus food or other relief in kind supplied by a governmental agency;
- (5) relief granted under this chapter;
- (6) child support payments received under a temporary or final decree of dissolution or legal separation;
- (7) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;
- (8) alimony paid; ~~or~~
- (9) veterans disability compensation paid under title 38 of the United States Code; or
- (10) to the extent included in federal adjusted gross income, the amount of discharge of indebtedness awarded to the claimant under section 332.74, subdivision 3.

(c) The sum of the following amounts may be subtracted from income:

- (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

- (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- (5) for the claimant's fifth dependent, the exemption amount; and
- (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or before December 31 of the year for which the taxes were levied, the exemption amount.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2026.

ARTICLE 3

AIDS AND CREDITS

Section 1. Laws 2023, chapter 64, article 4, section 27, is amended by adding a subdivision to read:

Subd. 9. Report. (a) By January 15, 2026, each: (1) local unit that receives aid in an amount greater than \$10,000; (2) county; and (3) Tribal government must report the following information to the commissioner of public safety in the form and manner approved by that commissioner:

(i) the amount of aid received; and

(ii) the ways in which the aid was used or is intended to be used.

(b) By February 15, 2026, the commissioner of public safety must compile the information received from counties, Tribal governments, or local units pursuant to paragraph (a) and submit the compiled data in a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy and taxes and property taxes. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197.

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

Sec. 2. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart must receive its aid payment for calendar year 2023 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, provided that the state auditor certifies to the commissioner of revenue that the state auditor received the annual financial reporting form for 2022 from the city by June 1, 2025. The commissioner of revenue must make a payment of \$87,501.50 to the city of Stewart by June 30, 2025. An amount sufficient to pay aid under this section is appropriated in fiscal year 2025 from the general fund to the commissioner of revenue. This is a onetime appropriation.

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

ARTICLE 4

PUBLIC FINANCE

Section 1. Minnesota Statutes 2024, section 446A.086, subdivision 1, is amended to read:

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

(b) "Authority" means the Minnesota Public Facilities Authority.

(c) "Commissioner" means the commissioner of management and budget.

(d) "Debt obligation" means:

(1) a general obligation bond or note issued by a county, a bond or note to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond or note payable from a county lease obligation under section 641.24, to provide funds for the construction of:

(i) jails;

(ii) correctional facilities;

(iii) law enforcement facilities;

(iv) a court house or justice center, if connected to a jail, correctional facility, or other law enforcement facility;

~~(iv)~~ (v) social services and human services facilities;

~~(v)~~ (vi) solid waste facilities; or

~~(vi)~~ (vii) qualified housing development projects as defined in section 469.034, subdivision 2;

or

(2) a general obligation bond or note issued by a governmental unit to provide funds for the construction, improvement, or rehabilitation of:

(i) wastewater facilities;

(ii) drinking water facilities;

(iii) stormwater facilities; or

(iv) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs, for which bonds are issued by the authority under section 446A.087.

(e) "Governmental unit" means a county or a statutory or home rule charter city.

Sec. 2. Minnesota Statutes 2024, section 469.104, is amended to read:

469.104 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.

Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.090 to 469.108 that are ~~limited~~ required by federal tax law as defined in section 474A.02, subdivision 8 to obtain an allocation of volume cap.

Sec. 3. Minnesota Statutes 2024, section 474A.091, subdivision 2, is amended to read:

Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an allocation for residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

(1) a preliminary resolution;

(2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;

(3) an application deposit in the amount of two percent of the requested allocation;

(4) a sworn statement from the applicant identifying the project as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project; and

(5) a certification from the applicant or its accountant stating that the requested allocation does not exceed the aggregate bond limitation.

The issuer must pay the application deposit to the Department of Management and Budget. An entitlement issuer may not apply for an allocation for residential rental project bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) An issuer that receives an allocation under this subdivision must permanently issue obligations equal to all or a portion of the allocation received on or before the earlier of: (i) 180 days of the allocation, or (ii) the last business day of December. If an issuer that receives an allocation under this subdivision does not permanently issue obligations equal to all or a portion of the allocation

received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool.

(c) The Minnesota Housing Finance Agency may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 4. Minnesota Statutes 2024, section 474A.091, subdivision 2a, is amended to read:

Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply for an allocation for all types of qualified bonds other than residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

- (1) a preliminary resolution;
- (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;
- (3) the type of qualified bonds to be issued;
- (4) an application deposit in the amount of two percent of the requested allocation; and
- (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications.

The issuer must pay the application deposit to the Department of Management and Budget. An entitlement issuer may not apply for an allocation for public facility bonds or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, an entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) An issuer that receives an allocation under this subdivision must permanently issue obligations equal to all or a portion of the allocation received on or before the earlier of: (i) 120 days of the allocation, or (ii) the last business day of December. If an issuer that receives an allocation under this subdivision does not permanently issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool.

(c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority may apply for and receive an allocation under this section without submitting an application deposit."

Delete the title and insert:

"A bill for an act relating to taxation; modifying provisions governing individual income and corporate franchise taxes, property taxes, certain state aid programs, and provisions related to public

finance; modifying property tax classifications, exemptions, and refunds; modifying aid reporting requirements; providing certain aid penalty relief; appropriating money; amending Minnesota Statutes 2024, sections 3.8855, subdivisions 2, 3, 8; 10A.02, subdivision 11b; 10A.322, subdivision 4; 270C.445, subdivision 3; 272.01, subdivision 2; 272.02, subdivision 19, by adding subdivisions; 273.124, subdivisions 8, 14; 273.13, subdivision 22; 273.38; 273.41; 290.0132, by adding subdivisions; 290.06, subdivision 23; 290.0693, subdivision 1; 290.0695, subdivisions 1, 3; 290.091, subdivision 2; 290A.03, subdivision 3; 446A.086, subdivision 1; 469.104; 474A.091, subdivisions 2, 2a; Laws 2023, chapter 64, article 4, section 27, by adding a subdivision; repealing Minnesota Statutes 2024, sections 13.4967, subdivision 2a; 290.0679."

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

Senator McEwen from the Committee on Labor, to which was referred

S.F. No. 2373: A bill for an act relating to state government; establishing a biennial budget for the Department of Labor and Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services; making various policy changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 177.253, subdivision 1, by adding a subdivision; 177.254, subdivisions 1, 2, by adding a subdivision; 326B.103, by adding subdivisions; 326B.184, subdivisions 1a, 2; 326B.31, subdivision 29; 326B.33, subdivision 21; 326B.37, subdivisions 1, 2, 4, 5, 6, 8, 9, by adding a subdivision; 326B.49, subdivisions 2, 3; 326B.986, subdivision 9; 327.31, by adding subdivisions; 327.32, subdivisions 1a, 1e, 7, 8; 327.33, subdivisions 1, 2, 2a, 2b, 2c, 3, 7, by adding subdivisions; 327.34, subdivision 1; 327.35, subdivision 1; 327B.01, subdivisions 1, 7, 11a, 19, by adding subdivisions; 327B.03; 327B.04, subdivisions 3, 4, 5, 6, 7, 7a, by adding subdivisions; 327B.041; 327B.042, subdivisions 1, 2; 327B.05, subdivision 1; 327B.06, subdivision 2; 327B.08, subdivision 1; 327B.09, subdivisions 1, 2, 3, 4; 327B.10; 327B.11, subdivision 1; 327B.12; Laws 2024, chapter 127, article 14, section 3; proposing coding for new law in Minnesota Statutes, chapter 326B.

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

Page 7, after line 16, insert:

"Section 1. Minnesota Statutes 2024, section 177.27, subdivision 5, is amended to read:

Subd. 5. **Civil actions.** The commissioner may bring an action in the district court where an employer resides or where the commissioner maintains an office to enforce or require compliance with orders issued under subdivision 4. In addition to any other remedy provided by law, the commissioner may also apply in the district court where an employer resides or where the commissioner maintains an office for an order enjoining and restraining violations of any statute or rule listed in subdivision 4."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 1268: A bill for an act relating to local government; prohibiting minimum parking mandates; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 1750: A bill for an act relating to common interest communities; prohibiting certain practices relating to property management companies; modifying rights and duties of common interest communities; modifying rights of a unit owner; modifying termination threshold; establishing a meet and confer process; modifying notice of meetings; prohibiting certain governing bodies from requiring or incentivizing creation of homeowners associations; amending Minnesota Statutes 2024, sections 394.25, by adding a subdivision; 515B.1-102; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-110; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-107; 515B.4-116; proposing coding for new law in Minnesota Statutes, chapters 325E; 462; 515B.

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

Page 1, delete article 1

Page 4, line 16, strike "and" and insert "created prior to June 1, 1994, or created under chapter 308C, to"

Page 4, line 20, delete the comma and insert "and" and delete ", and cooperatives"

Page 8, line 5, after "(a)" insert ", and shall contain and include property and interest transfers, including easements or sales, for any common elements"

Page 12, after line 3, insert:

"Sec. 4. Minnesota Statutes 2024, section 515B.3-101, is amended to read:

515B.3-101 ORGANIZATION OF UNIT OWNERS' ASSOCIATION.

A common interest community shall be administered by an association. The association shall be incorporated no later than the date the common interest community is created. The membership of the association at all times consists exclusively of all unit owners or, following termination of the common interest community, of all former unit owners entitled to distributions of proceeds under section 515B.2-119 or their heirs, successors, or assigns. The association shall be organized as a Minnesota profit or nonprofit corporation, or may, in the case of a cooperative, be organized under chapter 308A; or 308B, or 308C. In the event of a conflict between this chapter and any other chapter under which the association is incorporated, this chapter shall control."

Page 12, lines 19 to 21, delete the new language

Page 13, line 25, strike "homeowner" and insert "unit owner"

Page 14, line 14, after the period, insert "When a violation can be cured without causing damage to property or to another,"

Page 14, line 17, delete "and" and insert "except when the violation is a repeated, willful, and knowing violation and the owner has been given notice that the fine will be increased due to the repeated nature of the violation, then the fine may be up to \$300."

Page 14, line 18, before "must" insert "the fine"

Page 16, line 7, delete "homeowners" and insert "unit owners"

Page 16, line 26, strike "308C.455,"

Page 17, lines 1 to 5, delete the new language

Page 20, line 1, delete everything after the second comma and insert "and in addition to those requirements:"

Page 20, delete line 2

Page 20, line 3, delete everything after "(1)" and insert "no board member, or the spouse, sibling, child, or parent of any board member, may have a financial interest in a business that the association or a property management company has hired or contracted with for goods or services over \$2,000 in a calendar year;"

Page 20, delete line 4

Page 20, line 5, after "(2)" insert "no board member, or the spouse, sibling, child, or parent of any board member, may"

Page 20, line 9, after "(3)" insert "no board member may"

Page 20, line 12, delete ", the board, or the management company or would result or would appear to a" and insert a semicolon

Page 20, delete lines 13 and 14 and insert:

"(4) a management company, or the employee, owner, or individual with a financial interest in a management company, that is providing services to an entity covered by this chapter may not have a financial interest in a business the association or management company has hired or contracted with for goods or services in excess of \$2,000 in a calendar year and may not solicit or accept any gift, money, rebate, gratuity, or direct or indirect compensation from any person or entity performing services for the association or for the award of a contract for goods or services; or"

Page 20, line 15, delete "(4)" and insert "(5) no association, or board of directors of an association, shall"

Page 20, line 19, delete "of any amount" and insert "in excess of \$2,000 in a calendar year"

Page 20, after line 19, insert:

"(i) An annual report must be prepared and signed by each member of the board of directors for the association listing all contracts for goods or services for the previous budget year, including the purpose of the contract, the amount of the contract, the identity of the recipient of the contract award, the date of the meeting the contract was approved, which directors were present at the meeting, the date the contract became valid, and if there were any fees or payments made related to the contract to a third party or management company. The annual report must be sent to each unit owner annually.

(j) A property management company that is hired by a board of directors or association covered under this section may not enter into an automatically renewing contract for goods or services for the association unless the contract provides that the association or management company may terminate the contract at anytime with no more than 60 days' notice."

Page 20, lines 26 and 29, delete "a board" and insert "the annual"

Page 20, line 27, delete "homeowners" and insert "unit owners"

Page 26, line 24, delete "member of the homeowners association" and insert "unit owner"

Page 26, line 26, delete "member" and insert "unit owners to provide"

Page 28, line 13, delete "member of the homeowners" and insert "unit owner"

Page 28, line 14, delete "association"

Page 28, line 15, delete "member" and insert "unit owners to provide"

Page 40, lines 28 and 29, delete the new language

Page 46, lines 25 and 26, delete the new language

Page 48, delete section 17

Page 54, after line 24, insert:

"Sec. 19. Laws 2024, chapter 96, article 2, section 13, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, ~~2025~~ 2026.

Sec. 20. **REPEALER.**

Minnesota Statutes 2024, section 308C.003, subdivision 3, is repealed."

Page 55, after line 11, insert:

"(c) Nothing in this section prohibits a county from ensuring private common areas or facilities within a development comply with maintenance, insurance, and other requirements under applicable state law, including under chapter 515, 515A, or 515B."

Page 55, after line 29, insert:

"(c) Nothing in this section prohibits a municipality from ensuring private common areas or facilities within a development comply with maintenance, insurance, and other requirements under applicable state law, including under chapter 515, 515A, or 515B."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; establishing a meet and confer process; modifying notice of meetings; limiting late fees, fines, and attorney fees; limiting proxy voting; modifying foreclosure requirements; modifying regulations for certain housing cooperatives; prohibiting local government bodies from requiring or incentivizing creation of homeowners associations;"

Page 1, delete lines 2 to 6

Page 1, line 7, delete "associations;"

Amend the title numbers accordingly

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

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 2231: A bill for an act relating to local government; requiring the creation of mixed-use housing zones; amending Minnesota Statutes 2024, section 462.355, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Delete everything after the enacting clause and insert:

"Section 1. **[462.3573] MIXED HOUSING AND COMMERCIAL CORRIDOR DISTRICTS.**

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

(b) "Accessory dwelling unit" means an addition or alteration that is an additional, subordinate dwelling unit on the same lot, and is entirely within a dwelling unit, attached to a dwelling unit, or in a detached structure.

(c) "Applicant" has the meaning provided in section 15.99.

(d) "Commercial corridor district" means a zoning district that is required to comply with subdivision 2, paragraph (c).

(e) "Covered municipality" means a city of the first class, an urban municipality, or a nonurban municipality.

(f) "Duplex" means a single building sited on a single lot that contains two separate residential units with separation either horizontal or vertical.

(g) "Fourplex" means a single building sited on a single lot that contains four residential units.

(h) "Minimum parking mandate" means a law, rule, or ordinance that specifies a minimum number of motor vehicle parking spaces, including on-street or off-street within a garage or other enclosed area.

(i) "Mixed housing" means all of the following types of dwellings:

(1) a single-family dwelling;

(2) a townhouse;

(3) a duplex;

(4) a triplex;

(5) a fourplex; and

(6) an accessory dwelling unit on a lot with a single-family dwelling.

(j) "Mixed housing district" means a zoning district that is required to comply with subdivision 2, paragraph (a) or (b).

(k) "Municipal state-aid street" means a street within a municipality that has been established as a municipal state-aid street pursuant to section 162.09.

(l) "Nonurban municipality" means a municipality with a population greater than 10,000 that is not an urban municipality or a city of the first class.

(m) "Request" has the meaning provided in section 15.99, except that for the purposes of this section, it also includes a written application for a building permit or a proposed subdivision related to the housing authorized under subdivision 2.

(n) "Residential unit" means a building or part of a building used or intended to be used for dwelling purposes by a single owner or tenant.

(o) "Single-family dwelling" means a building that contains one residential unit.

(p) "Townhouse" means a single-family dwelling constructed in a group of two or more attached units in which each unit extends from the foundation to the roof and having open space on at least

two sides of each unit. Each single-family dwelling shall be considered to be a separate building. Separate building service utilities shall be provided to each single-family dwelling unit when required by other chapters of the State Building Code.

(q) "Triplex" means a single building sited on a single lot that contains three residential units.

(r) "Urban municipality" means a municipality other than a city of the first class that is adjacent to, or has a border that is within one mile of the border of, a city with a population greater than 150,000.

Subd. 2. **Mixed housing and commercial corridor districts required.** (a) An urban municipality or a city of the first class must create mixed housing districts that allow the following types of residential development in at least 75 percent of the area within the municipality that is zoned to permit residential use:

(1) any type of mixed housing as a permitted use on every lot in the mixed housing district, except an urban municipality may prohibit fourplexes; or

(2) any combination of residential developments or mixed housing sufficient to permit an average density in the mixed housing district of at least one residential unit per every 1,500 square feet.

(b) A nonurban municipality must enact mixed housing districts that allow the following types of residential development on at least 50 percent of the area within the nonurban municipality that is zoned to permit residential use:

(1) any type of mixed housing as a permitted use on every lot in the mixed housing district, except a nonurban municipality may prohibit fourplexes; or

(2) any combination of residential developments or mixed housing sufficient to permit an average density in the mixed housing district of at least one residential unit per every 4,000 square feet.

(c) A covered municipality must create commercial corridor districts that encompass every lot in the municipality that has frontage on a municipal state-aid street. The commercial corridor districts must permit the following residential density:

(1) cities of the first class must permit an average density of at least ... residential units per acre in the commercial corridor district;

(2) urban municipalities must permit an average density of at least ... residential units per acre in the commercial corridor district; or

(3) nonurban municipalities must permit an average density of at least ... residential units per acre in the commercial corridor district.

(d) When determining where to site commercial corridor and mixed housing districts, a covered municipality must consider proximity to transit, public amenities, and commercial areas.

(e) Subject to the limitations in subdivisions 3, 4, and 5, a covered municipality may require a development permitted under paragraphs (a), (b), and (c) to comply with any standards, performance

conditions, or requirements, including the adequacy of existing public infrastructure, imposed by a municipality to promote public health, safety, and general welfare.

(f) Nothing in this section authorizes a covered municipality to permit a development that is prohibited by state or federal law or rule, or is prohibited under an ordinance adopted pursuant to such a state or federal law or rule, that protects floodplains, areas of critical or historic concern, wild and scenic rivers, or shore land, or that otherwise restrict residential units to protect and preserve the public health, the environment, or scenic areas.

Subd. 3. **Municipal standards; limitations.** (a) The following limitations on municipal authority apply to the developments permitted in mixed housing and commercial corridor districts required under subdivision 2.

(b) Subject to the maximum residential units permitted on a lot, districts required under subdivision 2 must authorize mixed housing as a permitted use.

(c) A covered municipality must not impose requirements related to the bulk and size of buildings that prevent the type of housing or number of residential units authorized by paragraph (b) from being constructed with at least 1,500 square feet of habitable floor space per residential unit, including requirements related to lot coverage, setbacks, maximum height, minimum unit size, dimensions, minimum square footage on a structure foundation, or floor area ratio.

(d) Except as provided in the State Building Code for dwellings adhering to the Minnesota Residential Code, Minnesota Rules, chapter 1309, a covered municipality must not impose requirements related to construction materials or methods, including architectural elements, building egress, durability, energy efficiency, or light access requirements.

(e) A covered municipality must not impose minimum parking mandates, except that a municipality may pass and enforce an ordinance under section 169.346, subdivision 4, related to disability parking spaces or any provision of the Minnesota Accessibility Code, Minnesota Rules, chapter 1341.

(f) A covered municipality must not take any action that requires a residential property to be part of a homeowners association or provide an incentive for such membership. A municipality must not require or incentivize a homeowners association to adopt, revoke, or amend a term in any governing document or a rule or regulation not required under state law. A municipality must not condition approval of a residential building permit or conditional use permit, residential subdivision development or residential planned unit development, or any other permit related to residential development on the:

(1) creation of a homeowners association;

(2) inclusion of any service, feature, or common property necessitating a homeowners association;

(3) inclusion of any terms in a homeowners association declaration, bylaws, articles of incorporation, or any other governing document that is not required under state law; or

(4) adoption or revocation of, or amendment to, a rule or regulation governing the homeowners association or its members.

Subd. 4. **Administrative approvals.** (a) A covered municipality must establish and follow an administrative process to review requests related to developments in commercial corridor districts, including proposed residential lot splits and subdivisions, in accordance with the process outlined in section 15.99.

(b) In mixed housing districts, a covered municipality must apply the same administrative approval process to requests related to any type of mixed housing that it would apply to a single-family dwelling being developed on the same lot. A covered municipality may require a site development plan or similar materials for mixed housing, provided the timeline for the administrative approval process is the same or similar to that for a single-family dwelling.

(c) A municipality engaging in the process established in paragraph (a) or (b) must approve or deny a request for a building permit or proposed subdivision based on the request's alignment with the municipality's comprehensive plan, applicable zoning requirements, and subdivision regulations.

(d) A municipality engaging in the process established in paragraph (a) must:

(1) not require a conditional use permit or planned unit development agreement, except that a municipality may require a conditional use permit or planned unit development agreement to address an identified and documented risk to health or safety;

(2) not require more than one community meeting prior to approval of a request, except if more are required by state or federal law or the project involves or affects a lot located in a historic district under section 138.73; and

(3) provide any development agreement to the applicant no less than three days in advance of final plat approval, or before final approval of a request if a plat is not required.

Subd. 5. **Official controls; limitations.** A covered municipality may not use official controls to prohibit the application of this section, including by imposing performance conditions, standards, requirements, ordinances, fees, exactions, and dedications on any residential unit or development that are more restrictive than those in this section or other municipal law or rule.

Subd. 6. **Failure to comply; remedies.** (a) If a covered municipality fails to adopt new standards that meet the requirements of this section by the dates set out in paragraph (b), then any type of mixed housing shall be a permitted use on any lot within the municipality that is zoned to allow a residential use.

(b) A covered municipality must comply with the requirements of this section by the dates below:

(1) for a city of the first class, by June 30, 2026;

(2) for an urban municipality, by December 31, 2026; and

(3) for a nonurban municipality, by June 30, 2027.

Subd. 7. **Interim ordinance.** No covered municipality shall enact an interim ordinance as provided under section 462.355, subdivision 4, to prohibit or delay the application of this section.

EFFECTIVE DATE. This section is effective January 1, 2026."

Delete the title and insert:

"A bill for an act relating to local government; requiring the creation of mixed housing zones; proposing coding for new law in Minnesota Statutes, chapter 462."

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

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

S.F. No. 1730: A bill for an act relating to state government; including the Office of Cannabis Management as an agency for the purpose of having a government-to-government relationship with Tribal governments; amending Minnesota Statutes 2024, section 10.65, subdivision 2.

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

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

S.F. No. 1418: A bill for an act relating to human services; establishing the council on direct support professionals; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 1, delete subdivision 1

Renumber the subdivisions in sequence and correct the internal references

Page 2, line 4, after "council" insert "on direct support professionals"

Page 3, line 10, delete "shall serve" and insert "serves"

Page 3, line 13, after the first "the" insert "appointing"

Page 3, lines 15, 21, and 25, delete "shall" and insert "must"

Page 3, line 17, delete "shall govern" and insert "governs"

Page 5, lines 7, 23, 26, and 30, delete "shall" and insert "must"

Page 6, lines 11 and 13, delete "shall" and insert "must"

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

Senator Dibble from the Committee on Transportation, to which was referred

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

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

Page 1, line 17, after "adopts" insert "a qualifying" and delete "standards" and insert "standard"

Page 1, line 18, before "designs" insert "design or"

Page 1, line 21, delete "that adopts" and insert "adopting" and after "standards" insert "for that project"

Page 1, line 22, after the first "standard" insert "for a past roadway design project in that city"

Page 2, after line 16, insert:

"(c) The commissioner, Metropolitan Council, or any other metropolitan planning organization in this state must not require a political subdivision that adopts a qualifying alternative design standard to meet minimum state-aid geometric design standards for state-funded or federally funded county state-aid roadway projects.

(d) The commissioner may require a resolution by a political subdivision adopting a qualifying alternative roadway design under this section that indemnifies, saves, and holds harmless the state and its agents of and from claims, demands, actions, or causes of action arising out of by reason adopting the alternative design standard. The political subdivision must further agree to defend at its sole cost and expense any action or proceeding begun for asserting any claim of whatever character against the state arising as a result of adopting the qualifying alternative roadway design.

(e) A political subdivision adopting a qualifying alternative design standard is exempt from municipal liability claims as provided under section 466.03, subdivision 5."

Page 3, line 19, after the semicolon, insert "or"

Page 3, line 22, delete "; or" and insert a period

Page 3, delete lines 23 and 24

Page 4, delete lines 13 and 14

Renumber the clauses in sequence

Page 5, line 6, before "A" insert "(a)"

Page 5, line 9, after "adopts" insert "a qualifying" and delete "standards" and insert "standard"

Page 5, line 10, before "designs" insert "design or"

Page 5, line 13, delete "that adopts" and insert "adopting" and after "standards" insert "for that project"

Page 5, line 14, after "standard" insert "for a past roadway design project in that city"

Page 5, line 15, delete the third "the" and insert "a"

Page 5, after line 31, insert:

"(b) The commissioner, Metropolitan Council, or any other metropolitan planning organization in this state must not require a political subdivision that adopts a qualifying alternative design standard to meet minimum state-aid geometric design standards for state-funded or federally funded municipal state-aid roadway projects.

(c) The commissioner may require a resolution by a political subdivision adopting a qualifying alternative roadway design under this section that indemnifies, saves, and holds harmless the state and its agents of and from claims, demands, actions, or causes of action arising out of by reason adopting the alternative design standard. The political subdivision must further agree to defend at its sole cost and expense any action or proceeding begun for asserting any claim of whatever character against the state arising as a result of adopting the qualifying alternative roadway design.

(d) A political subdivision adopting a qualifying alternative design standard is exempt from municipal liability claims as provided under section 466.03, subdivision 5."

Page 7, line 2, after the semicolon, insert "or"

Page 7, line 5, delete "; or" and insert a period

Page 7, delete lines 6 and 7

Page 7, delete lines 26 and 27

Renumber the clauses in sequence

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

Senator Dibble from the Committee on Transportation, to which was re-referred

S.F. No. 219: A bill for an act relating to transportation; modifying the electric-assisted bicycle rebate program; requiring a report; amending Minnesota Statutes 2024, section 289A.51, subdivision 4.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2024, section 289A.51, subdivision 3, is amended to read:

Subd. 3. **Amount of rebate.** (a) The amount of a rebate under this section equals the lesser of:

(1) ~~the applicable percentage, multiplied by the amount~~ 75 percent of eligible expenses paid by an eligible individual; or

(2) ~~\$1,500~~ \$750.

~~(b) The applicable percentage equals 75 percent, but is reduced by one percentage point until the percentage equals 50 percent, for each \$4,000 of the eligible individual's adjusted gross income in excess of:~~

~~(1) \$50,000 for a married taxpayer filing a joint return; and~~

~~(2) \$25,000 for all other filers.~~

(b) Eligibility for a rebate under this section is limited to eligible individuals with adjusted gross incomes that were not more than:

(1) \$78,000 in the case of a married eligible individual who filed a joint return; or

(2) \$41,000 for all other individuals.

~~(c) For the purposes of determining the applicable percentage income limit under paragraph (b) and subdivision 4, paragraph (a), the commissioner must use the eligible individual's adjusted gross income for the taxable year ending in the calendar year prior to the year in which the individual applied for a rebate certificate.~~

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024.

Sec. 2. Minnesota Statutes 2024, section 289A.51, subdivision 4, is amended to read:

Subd. 4. **Commissioner to issue rebate certificates.** (a) To qualify for a rebate under this section, an eligible individual must apply to the commissioner for a rebate certificate in the manner specified by the commissioner prior to purchasing an electric-assisted bicycle. As part of the application, the eligible individual must include proof of the individual's adjusted gross income for the taxable year specified in subdivision 3, paragraph (c). The commissioner must issue a rebate certificate to an eligible individual stating the issuance date, the applicable percentage, and the maximum rebate for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate rebate certificate.

(b) The commissioner of revenue may determine the date on which to open applications for a rebate certificate, and applications must not be submitted before the date determined by the commissioner. Beginning July 1, 2024, and July 1 of each subsequent calendar year for which there is an allocation of rebate certificates, the commissioner must allocate rebate certificates ~~on a first-come, first-served basis. The commissioner must reserve 40 percent of the certificates for a married taxpayer filing a joint return with an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of the reserved amount~~

under this paragraph that is not allocated by September 30 is available for allocation to other rebate certificate applications beginning on October 1, to eligible applicants. If the number of eligible applicants exceeds the available allocation of rebate certificates, the commissioner must allocate certificates through a random lottery.

(c) If a random lottery is used to allocate certificates as provided in paragraph (b), the commissioner must, by August 1, 2025, determine a suitable randomized method to allocate the certificates and must:

(1) detail the department's anticipated timeline for the lottery, including when applications for the lottery by an eligible individual must be made and when the commissioner anticipates distributing the certificates;

(2) establish a method for an eligible individual to apply for placement into the lottery; and

(3) provide the amount of certificates available to be distributed by the department to the public.

(d) The commissioner must not issue rebate certificates totaling more than \$2,000,000 in each of calendar years 2024 and 2025, except any amount authorized but not allocated in any calendar year does not cancel and is added to the allocation for the next calendar year. When calculating the amount of remaining allocations, the commissioner must assume that each allocated but unclaimed certificate reduces the available allocations by ~~\$1,500~~ \$750.

~~(d)~~ (e) A rebate certificate that is not assigned to a retailer expires two months after the date the certificate was issued and may not be assigned to a retailer after expiration. The amount of any expired rebate certificates is added to the available allocation under paragraph ~~(e)~~ (d).

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Carlson from the Committee on Elections, to which was referred

S.F. No. 2384: A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to voter registration; modifying provisions related to absentee voting; modifying requirements relating to appointing election judges; clarifying terminology; modifying timelines; modifying annexation laws in relation to election timelines; repealing the voting equipment grant account; transferring money; amending Minnesota Statutes 2024, sections 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 203B.04, subdivision 1; 203B.05, subdivision 1; 203B.08, subdivisions 1, 3; 203B.081, subdivision 4; 203B.121, subdivisions 4, 5; 203B.30, subdivision 3; 204B.06, subdivision 1b; 204B.09, subdivisions 1a, 2; 204B.14, subdivision 4a; 204B.21, subdivisions 1, 2; 204B.24; 204B.25, subdivision 3; 204B.44; 204B.45, subdivision 2; 204C.08, subdivision 1d; 204C.09, subdivision 1; 204C.10; 205.185, subdivision 3; 205A.10, subdivision 3; 205A.11, subdivision 2; 368.47; 375.20; 414.09, subdivision 3; 447.32, subdivision

4; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2024, sections 206.95; 209.06.

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

Page 8, line 6, delete ", whichever is later"

Page 9, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2024, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** (a) After the close of business on the 19th day before the election, the ballots from ~~secrecy~~ ballot envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

(b) Accepted signature envelopes must be segregated by precinct and processed in accordance with this subdivision on a precinct-by-precinct basis. Precincts within a combination polling place established in section 205A.11, subdivision 2, may be processed together. At each step, members of the ballot board must notify the official responsible for the ballot board if there is a discrepancy in any count required by paragraphs (c) to (e) and note it in the ballot board incident log.

(c) Before opening accepted signature envelopes, two members of the ballot board must count and record the number of envelopes and ensure that the count matches either the number of accepted signature envelopes provided by the official responsible for the ballot board or the number of signature envelopes accepted by the ballot board that day.

(d) Two members of the ballot board must remove the ballots from the ballot envelopes. The governing body responsible for the ballot board must retain all ballot envelopes through the contest period of that election.

(e) After ballots have been removed from the ballot envelopes, two members of the ballot board must count and record the number of ballots to ensure the count matches the number of accepted signature envelopes, accounting for any empty envelopes or spoiled ballots, which must be noted on the ballot board incident log."

Page 11, after line 29, insert:

"Sec. 11. Minnesota Statutes 2024, section 203B.17, subdivision 3, is amended to read:

Subd. 3. **Website security.** (a) The secretary of state shall maintain a log of each Internet Protocol address used to submit an absentee ballot application electronically under this section, and must monitor the log, volume of website use, and other appropriate indicators for suspicious activity. Evidence of suspicious activity that cannot be resolved by the secretary of state must be forwarded to an appropriate law enforcement agency for investigation.

(b) The electronic absentee ballot application system must be secure. The website shall maintain the confidentiality of all users and preserve the integrity of the data submitted. The secretary of state

shall employ security measures to ensure the accuracy and integrity of absentee ballot applications submitted electronically pursuant to this section. All data sent and received through the website must be encrypted.

(c) The secretary of state must provide ongoing testing and monitoring to ensure continued security. The secretary of state must work with the chief information officer as defined in section 16E.01, subdivision 1, or another security expert to annually assess the security of the system. The security assessment must include a certification signed by the secretary of state that states that adequate security measures are in place. The certification must also be signed by the chief information officer or another security expert affirming that the assessment is accurate. The secretary of state must submit the security assessment to the legislative auditor and to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over elections by January 1 of each year, ~~except that the first annual security assessment must be submitted by September 30, 2014, and no report is required for January 1, 2015.~~

(d) In developing the electronic absentee ballot application system, the secretary of state must consult with the chief information officer or the chief's designee to ensure the site is secure."

Page 11, line 31, delete "At the end of"

Page 12, line 2, delete "that day"

Page 12, line 13, delete ", whichever is later"

Page 12, line 26, strike ", item (ii)"

Page 13, after line 26, insert:

"Sec. 14. Minnesota Statutes 2024, section 204B.07, subdivision 2, is amended to read:

Subd. 2. **Petitions for presidential electors and alternates.** (a) This subdivision section does not apply to candidates for presidential elector or alternate nominated by major political parties. Major party candidates for presidential elector or alternate are certified under section 208.03. Other presidential electors or alternates are nominated by petition pursuant to this section.

(b) On petitions nominating presidential electors or alternates, the names of the candidates for president and vice-president shall be added to the political party or political principle stated on the petition. One petition may be filed to nominate a slate of presidential electors equal in number to the number of electors to which the state is entitled and an alternate for each elector nominee.

(c) In addition to the petition, each nominated candidate must submit a signed, notarized affidavit of candidacy for president or vice president, that includes the following information:

(1) the candidate's name in the form as it should appear on the ballot;

(2) the candidate's campaign address, website, phone number, and email address;

(3) the name of the political party or political principle stated on the petition;

(4) the office sought by the candidate; and

(5) a declaration that the candidate is aware of and will follow all applicable election laws and campaign finance laws. "

Page 15, line 16, delete "may" and insert "must utilize either the county chain of custody plan or"

Page 15, delete section 17 and insert:

"Sec. 19. Minnesota Statutes 2024, section 204B.21, subdivision 1, is amended to read:

Subdivision 1. **Appointment lists; duties of political parties and secretary of state.** (a) On ~~May~~ March 1 in a year in which there is an election for a partisan political office, each major political party ~~shall~~ must prepare a list of eligible voters who have indicated within the last 24 months they are willing to act as election judges in each election precinct. The list provided by the party must indicate:

(1) which eligible voters are willing to travel to a precinct outside of their home jurisdiction to act as an election judge, and the jurisdictions to which each eligible voter is willing to travel for that purpose;

(2) which eligible voters are willing to serve on a ballot board; and

(3) each eligible voter's residential address, telephone number, and email address, along with the date the eligible voter indicated their willingness to act as an election judge.

(b) The political parties ~~shall~~ must furnish the lists electronically to the secretary of state, in a format specified by the secretary of state. The secretary of state must combine the data received from each political party under this subdivision and must process the data to locate the precinct in which the address provided for each potential election judge is located. If the data submitted by a political party is insufficient for the secretary of state to locate the proper precinct or does not include the eligible voter's telephone number, email address, and date the eligible voter indicated their willingness to act as an election judge, the associated name must not appear in any list forwarded to an appointing authority under this subdivision. The secretary of state ~~shall~~ must notify political parties of any proposed election judges with addresses that could not be located in a precinct.

(c) By May 15, the secretary of state ~~shall~~ must furnish electronically to the county auditor a list of the appropriate names for each election precinct and ballot board in the jurisdiction of the appointing authority, and a list of the names of individuals residing outside of the jurisdiction who indicated a willingness to travel to that jurisdiction to act as an election judge, noting the political party affiliation of each individual on the list. The county auditor must promptly forward the appropriate names to the appropriate municipal clerk within seven days of receipt."

Page 16, delete section 18 and insert:

"Sec. 20. Minnesota Statutes 2024, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** (a) Election judges for precincts in a municipality ~~shall~~ and for a municipality's ballot board must be appointed by the governing body of the municipality. Election judges for a county ballot board, for precincts in unorganized territory

and for performing other election-related duties assigned by the county auditor ~~shall~~ must be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. ~~Except as otherwise provided in this section, appointments shall be made from the list of voters who maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party. Election judges must meet all eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct and serving on the ballot board must be affiliated with different major political parties.~~

(b) Within 30 days of receipt of the list furnished pursuant to this section, the appointing authority must contact each voter who maintains residence in the jurisdiction about their interest in serving as an election judge in the next 24 months. The communication must:

(1) identify the opportunities available for the person to serve as an election judge;

(2) include the qualifications necessary to serve as an election judge, information about the required training, and the dates and times at which the person must be available to perform those duties; and

(3) explain how the person may apply for appointment as an election judge.

Any person on the list furnished pursuant to subdivision 1 who does not respond to the appointing authority within 14 days or does not apply to become an election judge and complete election judge training before the next state general election is deemed to have waived their interest in appointment to any election judge position.

(c) Prior to each election, when appointing election judges, an appointing authority must first exhaust the list of individuals who responded to the communication in paragraph (b) who maintain residence in each precinct or, for appointment to a ballot board, who maintain residence in a jurisdiction covered by the ballot board. An appointing authority may exhaust the list furnished pursuant to subdivision 1 by contacting each person once who appears on the list. This communication must include the specific dates, times, and locations at which the person must be available to perform the various duties. Any individual from the list who does not respond within seven days to express an availability to serve is deemed to have waived interest in serving for that election. For legislative special elections, this period is shortened to three days.

(d) If no lists have been furnished, or when lists have been furnished, after the processes in paragraphs (b) and (c) are complete, then an appointing authority may appoint other individuals who meet the qualifications to serve as an election judge.

(e) An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation

or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge. The appointments ~~shall~~ must be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required."

Page 18, after line 23, insert:

"Sec. 23. **[204B.275] ELECTION REPORTING SYSTEM.**

Subdivision 1. **Definition.** "Election reporting system" is the computerized central statewide database for offices, candidates, ballot questions, and unofficial results developed and maintained by the secretary of state. The system facilitates the collection, aggregation, reporting, and secure sharing of unofficial election results to the public.

Subd. 2. **Authority.** The secretary of state must maintain an election reporting system as provided in this section.

Subd. 3. **Entry of names.** (a) For federal and state elections, the county auditor must enter in the election reporting system the names of all candidates that have filed for office with the county auditor no later than one day after the filing is received. Within one day of receiving notification and no later than one day after the withdrawal period closes, the county auditor must enter in the election reporting system the names of candidates for city, town, school district, or other elective office for which the county auditor has been notified. For any candidate that files by nominating petition or a petition in place of filing fee, the county auditor must enter in the election reporting system the name of the candidate within one day after the petition has been reviewed and determined to meet all legal requirements.

(b) The secretary of state must enter in the election reporting system the names of all candidates that have filed for office with the secretary of state no later than one day after the filing is received. For any candidate that files by nominating petition or a petition in place of filing fee, the secretary of state must enter in the election reporting system the name of the candidate within one day after the petition has been reviewed and determined to meet all legal requirements.

Subd. 4. **Results reporting testing.** At least seven days prior to any federal or state primary, general, or special election, the county auditor must test the results reporting functions in the election reporting system maintained by the secretary of state. The test must include the entry of vote totals for all candidates or ballot question responses within each contest or ballot question, and the county auditor must verify that the predetermined test results are displayed. The county auditor must report to the secretary of state that the test has been conducted, and no errors are apparent. If errors occur during the test, the county auditor must work with the secretary of state to resolve all issues and retest until resolved.

Subd. 5. **Reporting results.** For federal and state elections, as soon as practicable after delivery of the returns, the county auditor must report all unofficial election results in the elections reporting system.

Subd. 6. **Unofficial results.** Results reported to the election reporting system are unofficial results. Election results are not official until after the canvassing board certifies the result of the election."

Page 19, line 27, delete "the candidate" and insert "all candidates"

Page 23, line 2, strike "all"

Page 24, lines 9 and 27, reinstate the stricken "third" and delete "eighth"

Page 28, line 18, delete "eighth" and insert "third"

Page 29, delete section 34 and insert:

"Sec. 37. **REPEALER.**

Minnesota Statutes 2024, sections 206.57, subdivision 5b; 206.95; and 209.06, are repealed."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "formalizing the election reporting system;"

Amend the title numbers accordingly

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

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

S.F. No. 1842: A bill for an act relating to education; modifying teacher licensure requirements; requiring professional development on dyslexia; requiring rulemaking; amending Minnesota Statutes 2024, sections 122A.181, subdivision 3; 122A.182, subdivision 3; 122A.187, by adding a subdivision.

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

Page 3, delete lines 11 and 12 and insert:

"EFFECTIVE DATE. This section is effective the day following final enactment, and applies to licenses issued or renewed on or after July 1, 2027."

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

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

S.F. No. 2043: A bill for an act relating to health occupations; establishing a spoken language health care interpreter work group; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.0581] SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORK GROUP.

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

(b) "Commissioner" means the commissioner of health.

(c) "Common languages" means the 15 most frequent languages without regard to dialect in Minnesota.

(d) "Registered interpreter" means a spoken language interpreter who is listed on the Department of Health's spoken language health care interpreter roster.

(e) "Work group" means the spoken language health care interpreter work group established in subdivision 2.

Subd. 2. **Composition.** The commissioner shall, after receiving work group candidate applications, appoint 15 members to the work group consisting of the following members:

(1) three members who are interpreters listed on the Department of Health's spoken language health care interpreter roster and who are Minnesota residents. Of these members: (i) each must be an interpreter for a different language; (ii) at least one must have a national certification credential; and (iii) at least one must have been listed on the roster as an interpreter in a language other than the common languages and must have completed a nationally recognized training program for health care interpreters that is, at a minimum, 40 hours in length;

(2) three members representing limited English proficiency (LEP) individuals. Of these members, two must represent LEP individuals who are not proficient in a common language and one must represent LEP individuals who are proficient in a language that is not one of the common languages;

(3) one member representing a health plan company;

(4) one member representing a Minnesota health system who is not an interpreter;

(5) two members representing interpreter agencies, including one member representing agencies whose main office is located outside the seven-county metropolitan area and one member representing agencies whose main office is located within the seven-county metropolitan area;

(6) one member representing the Department of Health;

(7) one member representing the Department of Human Services;

(8) one member representing an interpreter training program or postsecondary educational institution program providing interpreter courses or skills assessment;

(9) one member who is affiliated with a Minnesota-based or Minnesota chapter of a national or international organization representing interpreters; and

(10) one member who is a licensed direct care health provider.

Subd. 3. **Duties.** The work group must compile a list of recommendations to support and improve access to the critical health care interpreting services provided across the state, including but not limited to:

(1) changing requirements for registered and certified interpreters to reflect changing needs of the Minnesota health care community and emerging national standards of training, competency, and testing;

(2) addressing barriers for interpreters to gain access to the roster, including barriers to interpreters of uncommon languages and interpreters in rural areas;

(3) reimbursing spoken language health care interpreting;

(4) identifying gaps in interpreter services in rural areas and recommending ways to address interpreter training and funding needs;

(5) training, certification, and continuing education programs;

(6) convening a meeting of public and private sector representatives of the spoken language health care interpreters community to identify ongoing sources of financial assistance to aid individual interpreters in meeting interpreter training and testing registry requirements;

(7) conducting surveys of people receiving and providing interpreter services to understand changing needs and consumer quality care; and

(8) suggesting changes in requirements and qualifications on telehealth or remote interpreting.

Subd. 4. **Compensation; expense reimbursement.** Compensation shall be offered to work group members not being compensated for their participation in work group activities as part of their existing job duties. Work group members shall be compensated and reimbursed for expenses for work group activities under section 15.059, subdivision 3.

Subd. 5. **Administrative support; meeting space; meeting facilitation.** The commissioner must provide meeting space and administrative support for the work group. The commissioner may contract with a neutral independent consultant to provide this administrative support and to facilitate and lead the meetings of the work group.

Subd. 6. **Deadline for appointments.** The commissioner must appoint members to the work group by August 15, 2025.

Subd. 7. **Expiration.** This section expires on November 2, 2026, or upon submission of the report required under subdivision 9, whichever is earlier.

Subd. 8. **Initial spoken language health care interpreter work group meetings.** The commissioner shall convene the first meeting of the work group by October 1, 2025. Prior to the first meeting, work group members must receive survey results and evidence-based research on interpreter services in Minnesota. During the first meetings, work group members must receive survey results and consult with subject matter experts, including but not limited to signed language interpreting experts, academic experts with knowledge of interpreting research, and academic health experts to address specific gaps in spoken language health care interpreting. The work group shall provide a minimum of two opportunities for public comment. These opportunities shall be announced with at least four weeks' notice, with publicity in the five most common languages in Minnesota. Interpreters for those same languages shall be provided during the public comment opportunities.

Subd. 9. **Report.** The commissioner must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health care interpreter services with recommendations, including draft legislation and any statutory changes needed to implement the recommendations, to improve and support access to health care interpreting services statewide by November 1, 2026.

Subd. 10. **Appropriation.** \$..... in fiscal year 2026 is appropriated from the general fund to the commissioner of health to establish a request for proposals for the spoken language health care interpreter work group established under subdivision 2. This is a onetime appropriation and is available until June 30, 2027."

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

Senator Wiklund from the Committee on Health and Human Services, to which was referred

S.F. No. 1953: A bill for an act relating to mental health; modifying the definition of mental illness; making changes to medical assistance transportation reimbursement rates; establishing a grant program for children at risk of bipolar disorder; requiring a report; appropriating money for the children's first episode of psychosis program; amending Minnesota Statutes 2024, sections 62A.673, subdivision 2; 245.462, subdivision 20; 256B.0625, subdivision 17.

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

Page 1, delete section 1

Page 3, after line 32, insert:

"(d) For purposes of enrolling in case management and community support services, a "person with a complex post-traumatic stress disorder" or "C-PTSD" means an adult who has a mental illness and meets the following criteria:

(1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly interfere with daily functioning related to intergenerational trauma, racial trauma, or unresolved historical grief; and

(2) the adult has a written opinion from a mental health professional that includes documentation of:

(i) culturally sensitive assessments or screenings and identification of intergenerational trauma, racial trauma, or unresolved historical grief;

(ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD condition eligibility; and

(iii) increasing concerns within the last three years that indicates the adult is at a reasonable likelihood of experiencing significant episodes of PTSD with increased frequency, impacting daily functioning unless mitigated by targeted case management or community support services."

Page 4, line 1, delete "(d)" and insert "(e)"

Page 4, after line 3, insert:

"**EFFECTIVE DATE.** Paragraph (d) is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 4, before line 4, insert:

"Sec. 2. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, day treatment services, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness or a complex post-traumatic stress disorder of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 245.4711, subdivision 1, is amended to read:

Subdivision 1. **Availability of case management services.** (a) ~~By January 1, 1989,~~ The county board shall provide case management services for all adults with serious and persistent mental illness or a complex post-traumatic stress disorder who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness or a complex post-traumatic stress disorder eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

(c) Case management services are eligible for reimbursement under the medical assistance program. Costs associated with mentoring, supervision, and continuing education may be included in the reimbursement rate methodology used for case management services under the medical assistance program.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2024, section 245.4711, subdivision 4, is amended to read:

Subd. 4. **Individual community support plan.** (a) The case manager must develop an individual community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed at least every 180 days after it is developed, unless the case manager receives a written request from the client or the client's family for a review of the plan every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the adult with serious and persistent mental illness or a complex post-traumatic stress disorder, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

(b) The client's individual community support plan must state:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual community support plan.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

Subdivision 1. **Availability of community support services.** (a) County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness or a complex post-traumatic stress disorder who are residents of the county. Adults may be required to pay a fee according to section 245.481. The

community support services program must be designed to improve the ability of adults with serious and persistent mental illness or a complex post-traumatic stress disorder to:

- (1) find and maintain competitive employment;
- (2) handle basic activities of daily living;
- (3) participate in leisure time activities;
- (4) set goals and plans; and
- (5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

(b) Community support services are those services that are supportive in nature and not necessarily treatment oriented, and include:

- (1) conducting outreach activities such as home visits, health and wellness checks, and problem solving;
- (2) connecting people to resources to meet their basic needs;
- (3) finding, securing, and supporting people in their housing;
- (4) attaining and maintaining health insurance benefits;
- (5) assisting with job applications, finding and maintaining employment, and securing a stable financial situation;
- (6) fostering social support, including support groups, mentoring, peer support, and other efforts to prevent isolation and promote recovery; and
- (7) educating about mental illness, treatment, and recovery.

(c) Community support services shall use all available funding streams. The county shall maintain the level of expenditures for this program, as required under section 245.4835. County boards must continue to provide funds for those services not covered by other funding streams and to maintain an infrastructure to carry out these services. The county is encouraged to fund evidence-based practices such as Individual Placement and Supported Employment and Illness Management and Recovery.

(d) The commissioner shall collect data on community support services programs, including, but not limited to, demographic information such as age, sex, race, the number of people served, and information related to housing, employment, hospitalization, symptoms, and satisfaction with services.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

Subd. 3. **Benefits assistance.** The county board must offer to help adults with serious and persistent mental illness or a complex post-traumatic stress disorder in applying for state and federal benefits, including Supplemental Security Income, medical assistance, Medicare, general assistance, and Minnesota supplemental aid. The help must be offered as part of the community support program available to adults with serious and persistent mental illness or a complex post-traumatic stress disorder for whom the county is financially responsible and who may qualify for these benefits.

Sec. 7. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

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

(1) services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with emotional disturbances or severe emotional disturbances who are at risk of residential treatment or hospitalization, who are already in out-of-home placement in family foster settings as defined in chapter 142B and at risk of change in out-of-home placement or placement in a residential facility or other higher level of care, who have utilized crisis services or emergency room services, or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

- (9) school-linked mental health services under section 245.4901;
- (10) building evidence-based mental health intervention capacity for children birth to age five;
- (11) suicide prevention and counseling services that use text messaging statewide;
- (12) mental health first aid training;
- (13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;
- (14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;
- (15) early childhood mental health consultation;
- (16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;
- (17) psychiatric consultation for primary care practitioners; ~~and~~
- (18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants; and
- (19) evidence-based interventions for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 8. [245.4904] EARLY EPISODE OF BIPOLAR DISORDER GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish an early episode of bipolar disorder grant program within the department to fund evidence-based interventions for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder.

Subd. 2. Definitions. For the purposes of this section, "youth and young adults" means individuals who are 15 years of age or older and under 41 years of age.

Subd. 3. **Activities.** (a) All grantees must:

(1) provide intensive treatment and support for youth and young adults experiencing or at risk of experiencing early episodes of bipolar disorder. Intensive treatment and support may include medication management, psychoeducation for an individual and the individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer and family peer support, crisis planning, and stress management;

(2) conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinicians, on bipolar disorder symptoms, screening tools, the early episode of bipolar disorder grant program, and best practices; and

(3) use all available funding streams.

(b) Grant money may be used to pay for housing or travel expenses for individuals receiving services or to address other barriers that prevent individuals and their families from participating in early episode of bipolar disorder services.

(c) Program activities must only be provided to youth and young adults experiencing bipolar disorder or early episodes of bipolar disorder.

Subd. 4. **Outcomes and report.** (a) The commissioner must annually evaluate the early episode of bipolar grant program.

(b) The evaluation must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether individuals experience a reduction in symptoms;

(2) whether individuals experience a decrease in inpatient mental health hospitalizations or interactions with the criminal justice system; and

(3) whether individuals experience an increase in educational attainment or employment.

(c) By July 1, 2026, and every July 1 thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health, along with the chairs and ranking minority members of the senate finance committee and house of representatives ways and means committee. The report must include the number of grantees receiving funds under this section, the number of individuals served under this section, data from the evaluation conducted under this subdivision, and information on the use of state and federal funds for the services provided under this section.

Subd. 5. **Funding.** Early episode of bipolar disorder services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clause (19).

Subd. 6. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants.

Sec. 9. Minnesota Statutes 2024, section 245I.05, subdivision 3, is amended to read:

Subd. 3. **Initial training.** (a) A staff person must receive training about:

(1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

(2) the maltreatment of minor reporting requirements and definitions in chapter 260E within 72 hours of first providing direct contact services to a client.

(b) Before providing direct contact services to a client, a staff person must receive training about:

(1) client rights and protections under section 245I.12;

(2) the Minnesota Health Records Act, including client confidentiality, family engagement under section 144.294, and client privacy;

(3) emergency procedures that the staff person must follow when responding to a fire, inclement weather, a report of a missing person, and a behavioral or medical emergency;

(4) specific activities and job functions for which the staff person is responsible, including the license holder's program policies and procedures applicable to the staff person's position;

(5) professional boundaries that the staff person must maintain; and

(6) specific needs of each client to whom the staff person will be providing direct contact services, including each client's developmental status, cognitive functioning, and physical and mental abilities.

(c) Before providing direct contact services to a client, a mental health rehabilitation worker, mental health behavioral aide, or mental health practitioner required to receive the training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

(1) mental illnesses;

(2) client recovery and resiliency;

(3) mental health de-escalation techniques;

(4) co-occurring mental illness and substance use disorders; and

(5) psychotropic medications and medication side effects, including tardive dyskinesia.

(d) Within 90 days of first providing direct contact services to an adult client, mental health practitioner, mental health certified peer specialist, or mental health rehabilitation worker must receive training about:

(1) trauma-informed care and secondary trauma;

(2) person-centered individual treatment plans, including seeking partnerships with family and other natural supports;

(3) co-occurring substance use disorders; and

(4) culturally responsive treatment practices.

(e) Within 90 days of first providing direct contact services to a child client, mental health practitioner, mental health certified family peer specialist, mental health certified peer specialist, or mental health behavioral aide must receive training about the topics in clauses (1) to (5). This training must address the developmental characteristics of each child served by the license holder and address the needs of each child in the context of the child's family, support system, and culture. Training topics must include:

(1) trauma-informed care and secondary trauma, including adverse childhood experiences (ACEs);

(2) family-centered treatment plan development, including seeking partnership with a child client's family and other natural supports;

(3) mental illness and co-occurring substance use disorders in family systems;

(4) culturally responsive treatment practices; and

(5) child development, including cognitive functioning, and physical and mental abilities.

(f) For a mental health behavioral aide, the training under paragraph (e) must include parent team training using a curriculum approved by the commissioner.

Sec. 10. Minnesota Statutes 2024, section 245I.05, subdivision 5, is amended to read:

Subd. 5. **Additional training for medication administration.** (a) Prior to administering medications to a client under delegated authority or observing a client self-administer medications, a staff person who is not a licensed prescriber, registered nurse, or licensed practical nurse qualified under section 148.171, subdivision 8, must receive training about psychotropic medications, side effects including tardive dyskinesia, and medication management.

(b) Prior to administering medications to a client under delegated authority, a staff person must successfully complete a:

(1) medication administration training program for unlicensed personnel through an accredited Minnesota postsecondary educational institution with completion of the course documented in writing and placed in the staff person's personnel file; or

(2) formalized training program taught by a registered nurse or licensed prescriber that is offered by the license holder. A staff person's successful completion of the formalized training program must include direct observation of the staff person to determine the staff person's areas of competency.

Sec. 11. Minnesota Statutes 2024, section 245I.11, subdivision 5, is amended to read:

Subd. 5. **Medication administration in residential programs.** If a license holder is licensed as a residential program, the license holder must:

(1) assess and document each client's ability to self-administer medication. In the assessment, the license holder must evaluate the client's ability to: (i) comply with prescribed medication regimens;

and (ii) store the client's medications safely and in a manner that protects other individuals in the facility. Through the assessment process, the license holder must assist the client in developing the skills necessary to safely self-administer medication;

(2) monitor the effectiveness of medications, side effects of medications, and adverse reactions to medications, including symptoms and signs of tardive dyskinesia, for each client. The license holder must address and document any concerns about a client's medications;

(3) ensure that no staff person or client gives a legend drug supply for one client to another client;

(4) have policies and procedures for: (i) keeping a record of each client's medication orders; (ii) keeping a record of any incident of deferring a client's medications; (iii) documenting any incident when a client's medication is omitted; and (iv) documenting when a client refuses to take medications as prescribed; and

(5) document and track medication errors, document whether the license holder notified anyone about the medication error, determine if the license holder must take any follow-up actions, and identify the staff persons who are responsible for taking follow-up actions.

Sec. 12. Minnesota Statutes 2024, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services and consultations delivered by a health care provider through telehealth in the same manner as if the service or consultation was delivered through in-person contact. Services or consultations delivered through telehealth shall be paid at the full allowable rate.

(b) The commissioner may establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service through telehealth. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide through telehealth;

(2) has written policies and procedures specific to services delivered through telehealth that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the service is delivered through telehealth;

(4) has established protocols addressing how and when to discontinue telehealth services; and

(5) has an established quality assurance process related to delivering services through telehealth.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service delivered through telehealth to a medical assistance enrollee. Health care service records for services delivered through telehealth must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service delivered through telehealth;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the health care provider's basis for determining that telehealth is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission used to deliver the service through telehealth and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's consultation with another physician through telehealth, the written opinion from the consulting physician providing the telehealth consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) Telehealth visits provided through audio and visual communication or accessible video-based platforms may be used to satisfy the face-to-face requirement for reimbursement under the payment methods that apply to a federally qualified health center, rural health clinic, Indian health service, 638 tribal clinic, and certified community behavioral health clinic, if the service would have otherwise qualified for payment if performed in person.

(e) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations using real-time two-way interactive audio and visual communication or accessible telehealth video-based platforms to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes: the application of secure video conferencing consisting of a real-time, full-motion synchronized video; store-and-forward technology; and synchronous interactions, between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, email, or facsimile transmission or as specified by law, except that between January 1, 2026, and January 1, 2029, telehealth includes communication between a health care provider and a patient that solely consists of audio-only communication;

(2) "health care provider" means a health care provider as defined under section 62A.673; a community paramedic as defined under section 144E.001, subdivision 5f; a community health worker who meets the criteria under subdivision 49, paragraph (a); a mental health certified peer specialist under section 245I.04, subdivision 10; a mental health certified family peer specialist under section 245I.04, subdivision 12; a mental health rehabilitation worker under section 245I.04, subdivision 14; a mental health behavioral aide under section 245I.04, subdivision 16; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; or a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 8, delete section 4 and insert:

"Sec. 14. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness, persons with a complex post-traumatic stress disorder, and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

(1) at least a face-to-face contact with the adult or the adult's legal representative either in person or by interactive video that meets the requirements of subdivision 20b; or

(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors

shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

- (1) the costs of developing and implementing this section; and
- (2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

- (1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(p) If the recipient is receiving care in a hospital, nursing facility, or residential setting licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week, mental health targeted case management services must actively support identification of community alternatives for the recipient and discharge planning.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. APPROPRIATION; EARLY EPISODE OF BIPOLAR DISORDER GRANT PROGRAM.

\$...... in fiscal year 2026 and \$...... in fiscal year 2027 are appropriated from the general fund to the commissioner of human services for the early episode of bipolar disorder grant program under Minnesota Statutes, section 245.4904."

Page 10, line 1, delete "CHILDREN'S" and insert "APPROPRIATION;" and after "PSYCHOSIS" insert "GRANT PROGRAM"

Page 10, line 2, before the first "\$......" insert "(a)"

Page 10, line 3, delete "to implement a" and insert "for the" and after "grant" insert "program"

Page 10, line 4, delete "New money"

Page 10, delete lines 5 to 8 and insert:

"(b) The commissioner of human services must fund current programs to ensure stability and continuity of care, as long as the program has met the requirements for past usage of funds. Funds may be used to fully fund current programs, increase a current program's capacity, and expand programs to outside the seven-county metropolitan area."

Renumber the sections in sequence

Amend the title accordingly

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

Senator Wiklund from the Committee on Health and Human Services, to which was referred

S.F. No. 1682: A bill for an act relating to child welfare; modifying child in need of protection or services definition to clarify when a child is considered to be without the special care made necessary by a physical, mental, or emotional condition; amending Minnesota Statutes 2024, section 260C.007, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (8), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

(7) chronic and severe use of alcohol or a controlled substance by a person responsible for the child's care that adversely affects the child's basic needs and safety; or

(8) emotional harm from a pattern of behavior that contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(b) Nothing in this chapter shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care.

(c) This chapter does not impose upon persons not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care.

(d) Nothing in this chapter shall be construed to mean that a child who has a mental, physical, or emotional condition is neglected solely because the child remains in an emergency department or hospital setting because services, including residential treatment, that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 204 and 132 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Wesenberg, Lucero, and Farnsworth introduced--

S.F. No. 2572: A bill for an act relating to employment; making employer participation in earned sick and safe time benefits permissive; amending Minnesota Statutes 2024, section 181.9445, subdivisions 5, 6.

Referred to the Committee on Labor.

Senator Gustafson introduced--

S.F. No. 2573: A bill for an act relating to arts and cultural heritage; appropriating money for public educational radio stations.

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

Senator Gustafson introduced--

S.F. No. 2574: A bill for an act relating to state government; authorizing sharing of government data in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary and Public Safety.

Senators Gustafson and Xiong introduced--

S.F. No. 2575: A bill for an act relating to state government; transferring duties from the Department of Human Services to the Office of Administrative Hearings; amending Minnesota Statutes 2024, sections 14.48; 14.49; 14.50; 14.51; 142A.20, subdivisions 3, 4, 5; 142G.02, subdivision 37; 142G.45; 256.01, subdivision 29; 256.045, subdivisions 3, 3a, 3b, 4, 4a, 5, 5a, 6,

by adding a subdivision; 256.0451, subdivisions 3, 6, 8; repealing Minnesota Statutes 2024, sections 14.56; 256.045, subdivision 1.

Referred to the Committee on State and Local Government.

Senators Pha and Coleman introduced--

S.F. No. 2576: A bill for an act relating to education; providing building lease aid for charter schools; amending Minnesota Statutes 2024, section 124E.22.

Referred to the Committee on Education Finance.

Senator Pha introduced--

S.F. No. 2577: A bill for an act relating to capital investment; appropriating money for a grant to Restoration for All.

Referred to the Committee on Capital Investment.

Senator Xiong introduced--

S.F. No. 2578: A bill for an act relating to state government; changing grants management provisions; amending Minnesota Statutes 2024, sections 16B.97, subdivision 1; 16B.98, subdivisions 1, 4; 16B.981, subdivision 4; 16B.991, subdivision 2.

Referred to the Committee on State and Local Government.

Senators Pha, Hawj, and Xiong introduced--

S.F. No. 2579: A bill for an act relating to housing; appropriating money for a grant to CAPI USA.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Rest introduced--

S.F. No. 2580: A bill for an act relating to taxation; individual income; requiring correction of certain errors regarding the taxable year to which a deductible contribution is attributed.

Referred to the Committee on Taxes.

Senator Rest introduced--

S.F. No. 2581: A bill for an act relating to taxation; taxpayer assistance; providing funds for taxpayer assistance grants and tax credit outreach grants; appropriating money.

Referred to the Committee on Taxes.

Senators Anderson and Gruenhagen introduced--

S.F. No. 2582: A bill for an act relating to capital investment; appropriating money for a new water treatment facility in the city of Howard Lake; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Drazkowski introduced--

S.F. No. 2583: A bill for an act relating to transportation; requiring Department of Transportation to publish certain notices and information for road easement projects; proposing coding for new law in Minnesota Statutes, chapter 160.

Referred to the Committee on Transportation.

Senator Hauschild introduced--

S.F. No. 2584: A bill for an act relating to state lands; appropriating money to condemn certain land in Cass County and authorizing its transfer for no consideration.

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

Senators Nelson, Weber, Howe, and Rasmusson introduced--

S.F. No. 2585: A bill for an act relating to taxation; corporation franchise; providing for contingent rate reductions; amending Minnesota Statutes 2024, section 290.06, subdivision 1.

Referred to the Committee on Taxes.

Senators Nelson and Draheim introduced--

S.F. No. 2586: A bill for an act relating to employment; modifying the definition of employee for purposes of earned sick and safe time to exclude townships; amending Minnesota Statutes 2024, section 181.9445, subdivision 6.

Referred to the Committee on Labor.

Senators Nelson and Draheim introduced--

S.F. No. 2587: A bill for an act relating to employment; modifying the definition of employer for purposes of paid leave to exclude townships; amending Minnesota Statutes 2024, section 268B.01, subdivision 18.

Referred to the Committee on Jobs and Economic Development.

Senators Kreun, Westlin, Weber, and Hauschild introduced--

S.F. No. 2588: A bill for an act relating to taxation; making Tax Court interpretations of tax laws binding on the commissioner of revenue; proposing coding for new law in Minnesota Statutes, chapter 270C.

Referred to the Committee on Taxes.

Senators Lucero, Drazkowski, Wesenberg, Eichorn, and Gruenhagen introduced--

S.F. No. 2589: A bill for an act relating to mental health; modifying the definition of mental illness; adding a definition for Trump Derangement Syndrome; amending Minnesota Statutes 2024, sections 245.462, subdivision 20, by adding a subdivision; 245I.02, subdivision 29, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senator Hawj introduced--

S.F. No. 2590: A bill for an act relating to legacy; appropriating money for United Hmong Family.

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

Senator Pha introduced--

S.F. No. 2591: A bill for an act relating to commerce; requiring organizations eligible for grants to engage with youth community organizations; amending Minnesota Statutes 2024, section 342.70, subdivision 3.

Referred to the Committee on Commerce and Consumer Protection.

Senator Hawj introduced--

S.F. No. 2592: A bill for an act relating to arts and cultural heritage; appropriating money to celebrate 50 years of Southeast Asians in Minnesota.

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

Senators Dibble and Boldon introduced--

S.F. No. 2593: A bill for an act relating to health and human services; appropriating money for Homeless Youth Act grants.

Referred to the Committee on Health and Human Services.

Senator Fateh introduced--

S.F. No. 2594: A bill for an act relating to taxation; individual income; increasing the amount of the student loan credit and making the credit refundable; amending Minnesota Statutes 2024, section 290.0682, subdivision 2, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Fateh introduced--

S.F. No. 2595: A bill for an act relating to economic development; appropriating money to Parents in Community Action.

Referred to the Committee on Jobs and Economic Development.

Senator Fateh introduced--

S.F. No. 2596: A bill for an act relating to human services; modifying positive support professional and positive support analyst qualifications; amending Minnesota Statutes 2024, section 245D.091, subdivisions 2, 3.

Referred to the Committee on Human Services.

Senators Rarick and Fateh introduced--

S.F. No. 2597: A bill for an act relating to higher education; modifying grant program to higher education institutions; amending Minnesota Statutes 2024, section 136A.1241, by adding a subdivision.

Referred to the Committee on Higher Education.

Senators Abeler and Hoffman introduced--

S.F. No. 2598: A bill for an act relating to human services; authorizing abbreviated annual reassessments of people receiving disability waiver services; amending Minnesota Statutes 2024, section 256B.0911, subdivisions 24, 25.

Referred to the Committee on Human Services.

Senators Lieske and Draheim introduced--

S.F. No. 2599: A bill for an act relating to capital investment; appropriating money for a centralized public safety center in the city of New Prague; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Maye Quade and Rasmuson introduced--

S.F. No. 2600: A bill for an act relating to state government; requiring that one-half of an agency's advertising expenses be paid to local news organizations; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on State and Local Government.

Senators Weber and Dahms introduced--

S.F. No. 2601: A bill for an act relating to capital investment; appropriating money for public infrastructure improvements in the city of Trimont; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Miller introduced--

S.F. No. 2602: A bill for an act relating to highways; designating a segment of U.S. Highway 63 as "Officer Jason B. Meyer Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Miller introduced--

S.F. No. 2603: A bill for an act relating to capital investment; appropriating money for preservation of the historic Forestville bridge in Fillmore County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Gruenhagen, Hoffman, Lieske, Wesenberg, and Anderson introduced--

S.F. No. 2604: A bill for an act relating to education; requiring a cost-benefit analysis of Minnesota's special education system; requiring a report.

Referred to the Committee on Education Policy.

Senators Gruenhagen, Dornink, Draheim, and Lieske introduced--

S.F. No. 2605: A bill for an act relating to employment; modifying earned sick and safe time; amending Minnesota Statutes 2024, sections 177.50, by adding a subdivision; 181.9445, subdivisions 4, 5, 7; 181.9446; 181.9447, subdivisions 2, 3, 9.

Referred to the Committee on Labor.

Senators Limmer, Hoffman, Anderson, Johnson Stewart, and Lucero introduced--

S.F. No. 2606: A bill for an act relating to transportation; modifying certain allocation requirements under the corridors of commerce program; amending Minnesota Statutes 2024, section 161.088, subdivision 4a.

Referred to the Committee on Transportation.

Senator Kupec introduced--

S.F. No. 2607: A bill for an act relating to human services; modifying applicability of prior authorization clinical criteria changes and utilization review provisions; amending Minnesota Statutes 2024, sections 62M.17, subdivision 2; 256B.0625, subdivision 25c.

Referred to the Committee on Health and Human Services.

Senators Nelson, Rasmusson, and Utke introduced--

S.F. No. 2608: A bill for an act relating to health occupations; creating a Nurse Licensure Compact; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Senators Nelson and Draskowski introduced--

S.F. No. 2609: A bill for an act relating to taxation; sales and use; providing a vendor allowance; amending Minnesota Statutes 2024, sections 289A.20, subdivision 4; 297A.77, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes.

Senator Putnam introduced--

S.F. No. 2610: A bill for an act relating to agriculture; modifying beginning farmer program provisions; modifying grain buyer provisions; allowing the commissioner of agriculture to coordinate with other state agencies and local governments to protect public health against fertilizers and fertilizer by-products; repealing a provision requiring the commissioner of agriculture to report on implementing the biodiesel fuel mandate; amending Minnesota Statutes 2024, sections 18C.111, by adding a subdivision; 41B.0391, subdivisions 1, 4; 223.17, subdivision 6; repealing Minnesota Statutes 2024, section 239.77, subdivision 5.

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

Senator Putnam introduced--

S.F. No. 2611: A bill for an act relating to agriculture; modifying livestock market agency and dealer licensing provisions; modifying farmers' market or community event food sampling and demonstration provisions; modifying food certificate payment provisions; repealing obsolete provisions; amending Minnesota Statutes 2024, sections 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; 28A.081, subdivision 1; 28A.151, subdivision 2; 31B.03; 34A.04, subdivision 1; repealing Minnesota Statutes 2024, sections 35.68; 35.830.

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

Senators Frentz and Kupec introduced--

S.F. No. 2612: A bill for an act relating to human services; appropriating money for county implementation of service delivery transformation requirements and information technology modernization projects.

Referred to the Committee on Health and Human Services.

Senator Latz introduced--

S.F. No. 2613: A bill for an act relating to public safety; eliminating the mandatory fine for school bus stop-signal arm violations; amending Minnesota Statutes 2024, section 169.444, subdivision 2.

Referred to the Committee on Transportation.

Senators Coleman and Cwodzinski introduced--

S.F. No. 2614: A bill for an act relating to consumer protection; regulating the use of social media for minors ages 15 and younger; requiring anonymous age verification for websites harmful to minors; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce and Consumer Protection.

Senators Jasinski and Frentz introduced--

S.F. No. 2615: A bill for an act relating to taxation; property; providing a property tax exemption for an electric generation facility; amending Minnesota Statutes 2024, section 272.02, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Oumou Verbeten and Hawj introduced--

S.F. No. 2616: A bill for an act relating to legacy; appropriating money for grant to 30,000 Feet, a nonprofit organization.

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

Senators Kupec and Wiklund introduced--

S.F. No. 2617: A bill for an act relating to higher education; appropriating money to implement the University of Minnesota's Health Sciences Strategic Plan.

Referred to the Committee on Higher Education.

Senators Hauschild, Weber, Westlin, and Eichorn introduced--

S.F. No. 2618: A bill for an act relating to environment; appropriating money for grants to counties to address blight conditions and remediate environmental contamination on properties that have come under county ownership or are being held in trust by the state; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Senators Hoffman, Johnson, and Lang introduced--

S.F. No. 2619: A bill for an act relating to solid waste; exempting paper products from the extended producer responsibility program managing solid waste; amending Minnesota Statutes 2024, sections 115A.1441, subdivisions 10, 16, 26; 115A.1442; 115A.1450, subdivision 4; 115A.1451, subdivision 7; 115A.1454, subdivision 1.

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

Senators Wiklund and Port introduced--

S.F. No. 2620: A bill for an act relating to human services; Department of Human Services Office of Inspector General and operations policy provisions; modifying provisions on home and community-based services licensing, behavioral health licensing, background studies, Department of Corrections reconsiderations, anti-kickback laws, and human services judges personal data protection; amending Minnesota Statutes 2024, sections 142E.51, subdivisions 5, 6; 144.651, subdivision 2; 245A.04, subdivisions 1, 7; 245A.16, subdivision 1; 245A.242, subdivision 2; 245C.05, by adding a subdivision; 245C.08, subdivision 3; 245C.22, subdivision 5; 245D.02, subdivision 4a; 245G.05, subdivision 1; 245G.06, subdivisions 1, 2a, 3a; 245G.07, subdivision 2; 245G.08, subdivision 6; 245G.09, subdivision 3; 245G.11, subdivision 11; 245G.18, subdivision 2; 245G.19, subdivision 4, by adding a subdivision; 245G.22, subdivisions 1, 14, 15; 256.98, subdivision 1; 256B.12; 480.40, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 245A.11, subdivision 8.

Referred to the Committee on Health and Human Services.

Senators Mohamed, Port, Maye Quade, and Clark introduced--

S.F. No. 2621: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for housing purposes; creating a homeownership opportunity fund, a community and household stability fund, and a rental opportunity fund; creating fund councils; providing appointments; requiring reports; proposing coding for new law in Minnesota Statutes, chapters 256K; 462A.

Referred to the Committee on Housing and Homelessness Prevention.

Senators Mohamed and Clark introduced--

S.F. No. 2622: A bill for an act relating to capital investment; appropriating money for capital improvements to bring public right-of-way facilities in compliance with ADA requirements; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Dahms, Frentz, and Weber introduced--

S.F. No. 2623: A bill for an act relating to arts and cultural heritage; appropriating money to reconstruct the platform, base, and supporting structure for the Hermann the German statue in New Ulm.

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

Senators Drazkowski, Seeberger, Wesenberg, and Eichorn introduced--

S.F. No. 2624: A bill for an act relating to game and fish; allowing three-line fishing in Mississippi and St. Croix Rivers; amending Minnesota Statutes 2024, section 97C.315, subdivision 1.

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

Senator Drazkowski introduced--

S.F. No. 2625: A bill for an act relating to state government; establishing a consolidated list of people and vendors who may not receive state contracts or payments; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on State and Local Government.

Senators Drazkowski and Putnam introduced--

S.F. No. 2626: A bill for an act relating to taxation; property; modifying the definition of agricultural products for class 2 agricultural property classification; amending Minnesota Statutes 2024, section 273.13, subdivision 23.

Referred to the Committee on Taxes.

Senators Nelson, Mohamed, and Abeler introduced--

S.F. No. 2627: A bill for an act relating to workforce development; appropriating money for a statewide education campaign to inform employers about the benefits of second-chance hiring.

Referred to the Committee on Jobs and Economic Development.

Senators Rasmusson, Hoffman, and Anderson introduced--

S.F. No. 2628: A bill for an act relating to direct care and treatment; modifying county cost of care provisions; modifying required admission timelines; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 246.54, subdivisions 1a, 1b; 246C.07, by adding a subdivision; 253B.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B.

Referred to the Committee on Human Services.

Senator Mohamed introduced--

S.F. No. 2629: A bill for an act relating to human rights; establishing the Minnesota Fair Chance Access to Housing Act; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 363A.

Referred to the Committee on Judiciary and Public Safety.

Senators Hoffman and Abeler introduced--

S.F. No. 2630: A bill for an act relating to human services; converting the Governor's Council on an Age-Friendly Minnesota into the Age-Friendly Minnesota Council; codifying existing grants; appropriating money; amending Laws 2021, chapter 30, article 12, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Human Services.

Senators Pratt, Duckworth, Coleman, Johnson Stewart, and Gustafson introduced--

S.F. No. 2631: A bill for an act relating to local government; modifying requirements for publishing notice in a qualified newspaper; authorizing online publication of public notices when no qualified newspaper is available; amending Minnesota Statutes 2024, section 331A.10, subdivision 2.

Referred to the Committee on State and Local Government.

Senators Kunesh and Hawj introduced--

S.F. No. 2632: A bill for an act relating to education; appropriating money for civic education grants.

Referred to the Committee on Education Finance.

Senator Westlin introduced--

S.F. No. 2633: A bill for an act relating to education; establishing a pilot program to improve educational outcomes, safety, and accountability for students with disabilities; requiring reports; appropriating money.

Referred to the Committee on Education Policy.

Senator Westlin introduced--

S.F. No. 2634: A bill for an act relating to education; requiring access to relationship-building and de-escalation training in schools; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 121A.

Referred to the Committee on Education Policy.

Senator Xiong introduced--

S.F. No. 2635: A bill for an act relating to housing; providing rights to tenants when a landlord has received funding to assist with renovations of a residential rental unit; proposing coding for new law in Minnesota Statutes, chapter 504B.

Referred to the Committee on Judiciary and Public Safety.

Senator Rest introduced--

S.F. No. 2636: A bill for an act relating to taxation; sales and use; providing an exemption for Minnesota intercollegiate sports tickets and admissions; amending Minnesota Statutes 2024, section 297A.70, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Hauschild, Kupec, Marty, and Nelson introduced--

S.F. No. 2637: A bill for an act relating to taxation; individual income; corporate franchise; allowing a credit for local advertising expenses; amending Minnesota Statutes 2024, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Hoffman introduced--

S.F. No. 2638: A bill for an act relating to health; adding variance considerations related to submerged closed loop heat exchanger systems; proposing coding for new law in Minnesota Statutes, chapter 103I.

Referred to the Committee on Health and Human Services.

Senator Fateh introduced--

S.F. No. 2639: A bill for an act relating to commerce; raising liability and uninsured and underinsured motorist coverage amounts; requiring motorcycle insurance to include uninsured and underinsured coverage; establishing the traumatic brain injury recovery account and program; establishing arbitration timelines; requiring a surcharge on automobile insurance for the traumatic

brain injury recovery account and program; requiring a report; amending Minnesota Statutes 2024, sections 65B.133, by adding a subdivision; 65B.43, by adding a subdivision; 65B.44, subdivision 1; 65B.48, subdivision 5; 65B.49, subdivisions 3, 3a; proposing coding for new law in Minnesota Statutes, chapters 65B; 297I.

Referred to the Committee on Commerce and Consumer Protection.

Senators Maye Quade, Abeler, and Pappas introduced--

S.F. No. 2640: A bill for an act relating to human services; modifying community first services and supports reimbursement rates; increasing certain budgets for consumer-direct community supports; establishing the Minnesota Caregiver Defined Contribution Retirement Fund Trust; appropriating money; amending Minnesota Statutes 2024, sections 179A.54, by adding a subdivision; 256B.0659, subdivision 17a; 256B.85, subdivisions 7a, 8, 16; 256B.851, subdivisions 5, 6.

Referred to the Committee on Human Services.

Senators Frentz and Rasmusson introduced--

S.F. No. 2641: A bill for an act relating to cannabis; authorizing certain liquor wholesalers to purchase and sell lower-potency hemp edibles; proposing coding for new law in Minnesota Statutes, chapter 342.

Referred to the Committee on Commerce and Consumer Protection.

Senator Cwodzinski introduced--

S.F. No. 2642: A bill for an act relating to education finance; appropriating money for a student attendance marketing campaign.

Referred to the Committee on Education Finance.

Senator Westlin introduced--

S.F. No. 2643: A bill for an act relating to motor vehicles; modifying accident report requirements; authorizing local law enforcement to provide certain data to contracted service providers for purposes of accident reporting; amending Minnesota Statutes 2024, sections 169.011, by adding a subdivision; 169.09, subdivisions 8, 13.

Referred to the Committee on Transportation.

Senators Hawj, Murphy, and Pappas introduced--

S.F. No. 2644: A bill for an act relating to housing; authorizing the issuance of housing infrastructure bonds; appropriating money; amending Minnesota Statutes 2024, section 462A.37, subdivision 5, by adding a subdivision.

Referred to the Committee on Housing and Homelessness Prevention.

Senators Boldon, Lieske, and Kupec introduced--

S.F. No. 2645: A bill for an act relating to health; permitting Formulary Committee members with a potential conflict of interest to participate in committee communications and discussions; requiring the commissioner of human services to develop a public comment process for recommendations to the Formulary Committee; requiring the Formulary Committee to seek expertise from the Minnesota Rare Disease Advisory Council; amending Minnesota Statutes 2024, section 256B.0625, subdivisions 13c, 13f, 13g.

Referred to the Committee on Health and Human Services.

Senator Boldon introduced--

S.F. No. 2646: A bill for an act relating to human services; allowing for alternative licensing inspections for certain human services programs; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Senators Abeler and Boldon introduced--

S.F. No. 2647: A bill for an act relating to behavioral health; modifying substance use disorder comprehensive assessment requirements and treatment provider qualifications; requiring a study and report on substance use disorder treatment practice limitations; amending Minnesota Statutes 2024, sections 245G.05, subdivision 1; 245G.11, subdivision 7.

Referred to the Committee on Human Services.

Senators Latz, Marty, Port, and Maye Quade introduced--

S.F. No. 2648: A bill for an act relating to commerce; modifying the definition of debt buyer; appropriating money for a grant to Undue Medical Debt; requiring reports; amending Minnesota Statutes 2024, section 332.31, subdivision 8.

Referred to the Committee on Commerce and Consumer Protection.

Senators Boldon, Gustafson, and Mann introduced--

S.F. No. 2649: A bill for an act relating to trade regulations; requiring retailers to advertise lung cancer screenings at cigarette point of sales; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce and Consumer Protection.

Senators Seeberger, Rasmusson, Klein, and Duckworth introduced--

S.F. No. 2650: A bill for an act relating to insurance; establishing a peer-to-peer car sharing program; amending Minnesota Statutes 2024, sections 72A.125, subdivision 1; 297A.64, subdivision

4; proposing coding for new law in Minnesota Statutes, chapter 65B; repealing Minnesota Statutes 2024, section 65B.49, subdivision 5a.

Referred to the Committee on Commerce and Consumer Protection.

Senators Hoffman and Abeler introduced--

S.F. No. 2651: A bill for an act relating to human services; modifying provisions governing long-term care consultation services; amending Minnesota Statutes 2024, section 256B.0911, subdivisions 1, 10, 13, 14, 17, by adding subdivisions.

Referred to the Committee on Human Services.

Senator Lang introduced--

S.F. No. 2652: A bill for an act relating to veterans affairs; requiring reports on grants issued by the commissioner of veterans affairs; proposing coding for new law in Minnesota Statutes, chapter 197.

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

Senators Kupec and Putnam introduced--

S.F. No. 2653: A bill for an act relating to utilities; establishing a special license plate for solar pollinator programs; providing agrivoltaic solar sites may be eligible for solar site management practices; amending Minnesota Statutes 2024, section 216B.1642, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senator Rasmusson introduced--

S.F. No. 2654: A bill for an act relating to transportation; appropriating money for the construction of improvements along Trunk Highway 210 in Otter Tail County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Transportation.

Senator Rasmusson introduced--

S.F. No. 2655: A bill for an act relating to local government; prohibiting certain governing bodies from requiring or incentivizing creation of homeowners associations; prohibiting certain governing bodies from requiring terms not required under state law in homeowners association documents; amending Minnesota Statutes 2024, section 394.25, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462.

Referred to the Committee on State and Local Government.

Senators Hawj, Pha, Mitchell, and Xiong introduced--

S.F. No. 2656: A bill for an act relating to arts and cultural heritage; appropriating money for a mural and statue honoring Tou Ger Xiong.

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

Senators Pappas, Oumou Verbeten, and Hawj introduced--

S.F. No. 2657: A bill for an act relating to taxation; sales and use; extending the city of St. Paul local sales tax; amending Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended.

Referred to the Committee on Taxes.

Senators Hawj and Oumou Verbeten introduced--

S.F. No. 2658: A bill for an act relating to workforce development; appropriating money to the city of St. Paul for the Right Track youth internship program.

Referred to the Committee on Jobs and Economic Development.

Senators Port and Boldon introduced--

S.F. No. 2659: A bill for an act relating to housing; authorizing housing and redevelopment authorities to create public corporations for the purpose of purchasing, owning, and operating properties converted under the federal Rental Assistance Demonstration program; permitting corporations of authorities to receive certain funding through the Minnesota Housing Finance Agency; amending Minnesota Statutes 2024, sections 15.082; 462A.202, subdivision 3a; 462C.02, subdivision 6; 469.012, subdivision 2j; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on State and Local Government.

Senators Mohamed and Clark introduced--

S.F. No. 2660: A bill for an act relating to workforce development; appropriating money to Project for Pride in Living.

Referred to the Committee on Jobs and Economic Development.

Senator Miller introduced--

S.F. No. 2661: A bill for an act relating to finance; proposing the Minnesota Bitcoin Act; allowing payments to the state by cryptocurrency; authorizing the State Board of Investment to invest in cryptocurrency; modifying various tax provisions; amending Minnesota Statutes 2024, sections 11A.24, subdivision 6; 16A.626; 276.05; 279.025; 289A.02, subdivision 8, by adding a subdivision; 290.01, by adding a subdivision; 290.0132, by adding a subdivision; 290.0134, by adding a subdivision; 290.033; 290.091, subdivision 2; 290.0921, subdivision 3; 354B.25, subdivision 2; 356A.06, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on State and Local Government.

Senators Housley, Hoffman, and Gruenhagen introduced--

S.F. No. 2662: A bill for an act relating to family law; modifying visitation rights to a minor child; amending Minnesota Statutes 2024, section 257C.08, subdivision 1, by adding subdivisions; repealing Minnesota Statutes 2024, section 257C.08, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

Senators Drazkowski and Green introduced--

S.F. No. 2663: A bill for an act relating to taxation; local government aids; modifying the funding source and increasing the appropriation for soil and water conservation district aid; amending Minnesota Statutes 2024, section 477A.23, subdivision 6.

Referred to the Committee on Taxes.

Senators Mathews, Rarick, Gruenhagen, and Weber introduced--

S.F. No. 2664: A bill for an act relating to energy; requiring local government and Tribal approval for all solar projects; amending Minnesota Statutes 2024, sections 216I.05, subdivision 5; 216I.10, subdivision 1.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senators Howe, Anderson, and Putnam introduced--

S.F. No. 2665: A bill for an act relating to taxation; property; increasing the shareholder limit for entity-owned agricultural property; amending Minnesota Statutes 2024, section 273.124, subdivision 8.

Referred to the Committee on Taxes.

Senators Housley and Howe introduced--

S.F. No. 2666: A bill for an act relating to child support; repealing cost-of-living adjustments in maintenance or child support orders; making conforming changes; amending Minnesota Statutes 2024, sections 518.68, subdivision 2; 518A.34; 518A.40, subdivision 3; 518A.41, subdivision 5; repealing Minnesota Statutes 2024, section 518A.75.

Referred to the Committee on Judiciary and Public Safety.

Senator Wiklund introduced--

S.F. No. 2667: A bill for an act relating to taxation; tax increment financing; expanding eligible uses of increment from tax increment financing districts in the cities of Minnetonka, Richfield, and St. Louis Park to include transfers to local housing trust funds; imposing requirements on use of transferred increment.

Referred to the Committee on Taxes.

Senator Wiklund introduced--

S.F. No. 2668: A bill for an act relating to state government; adding eligibility for certain spouses of retired state employees under the group insurance program; amending Minnesota Statutes 2024, section 43A.27, subdivision 3.

Referred to the Committee on State and Local Government.

Senators Wiklund and Mann introduced--

S.F. No. 2669: A bill for an act relating to health care; modifying provisions relating to the Department of Health, health care, pharmacy services, background studies, Department of Human Services program integrity, health-related licensing boards, and certain fees; providing for rulemaking; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivisions 2, 3; 62D.21; 62D.211; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6, 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601, subdivisions 2, 4; 144.0758, subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2, 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.122; 144.1222, subdivision 1a; 144.3831, subdivision 1; 144.55, subdivision 1a; 144.554; 144.608, subdivision 2; 144.615, subdivision 8; 144.966, subdivision 2; 144A.291, subdivision 2; 144A.43, by adding a subdivision; 144A.474, subdivisions 9, 11; 144A.475, subdivisions 3, 3a, 3b, 3c; 144A.71, subdivision 2; 144A.753, subdivision 1; 144E.123, subdivision 3; 144G.20, subdivisions 3, 13, 16, 17; 144G.30, subdivision 7; 144G.31, subdivisions 2, 4, 5, 8; 144G.45, subdivision 6; 145.8811; 148.108, subdivision 1, by adding subdivisions; 148B.53, subdivision 3; 148E.180, subdivisions 1, 5, 7, by adding subdivisions; 153B.85, subdivisions 1, 3; 156.015, by adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision; 174.30, subdivision 3; 245.095, subdivision 5, by adding a subdivision; 245A.04, subdivision 1; 245A.05; 245A.07, subdivision 2; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15, subdivisions 1, 4a; 254B.06, by adding a subdivision; 256.9657, subdivisions 2, 3; 256.983, subdivision 4; 256B.04, subdivision 21; 256B.0625, subdivisions 3b, 8e, 13, 13c, 30; 256B.0659, subdivision 21; 256B.0949, subdivision 2; 256B.69, subdivision 6d; 256B.85, subdivision 12; 256L.03, subdivision 3b; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 2, 3, 4, by adding a subdivision; Laws 2024, chapter 127, article 67, section 4; proposing coding for new law in Minnesota Statutes, chapters 144; 153; repealing Minnesota Statutes 2024, sections 103I.550; 148.108, subdivisions 2, 3, 4; 156.015, subdivision 1; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600.

Referred to the Committee on Health and Human Services.

Senators Maye Quade, Utke, Boldon, Hoffman, and Abeler introduced--

S.F. No. 2670: A bill for an act relating to human services; requiring individual pricing of phototherapy lights; making technical changes; amending Minnesota Statutes 2024, section 256B.766.

Referred to the Committee on Health and Human Services.

Senator Johnson introduced--

S.F. No. 2671: A bill for an act relating to transportation; appropriating money for safety improvements to U.S. Highway 2 in the city of Crookston.

Referred to the Committee on Transportation.

Senators Drazkowski and Lucero introduced--

S.F. No. 2672: A bill for an act relating to state government; increasing penalties for employees and officials for failure to stop fraudulent payments; enhancing responsibilities for employees and officials to stop fraudulent payments; amending Minnesota Statutes 2024, sections 16A.41, subdivision 1; 609.455.

Referred to the Committee on State and Local Government.

Senators Drazkowski and Lucero introduced--

S.F. No. 2673: A bill for an act relating to taxation; individual income; repealing advance payments of the child tax credit; amending Minnesota Statutes 2024, section 289A.08, subdivision 1; repealing Minnesota Statutes 2024, section 290.0661, subdivisions 8, 9.

Referred to the Committee on Taxes.

Senators Drazkowski and Lucero introduced--

S.F. No. 2674: A bill for an act relating to state government; strengthening requirements for state employees to report fraud; amending Minnesota Statutes 2024, sections 179A.07, by adding a subdivision; 609.456, subdivision 2.

Referred to the Committee on State and Local Government.

Senators Drazkowski, Bahr, and Lucero introduced--

S.F. No. 2675: A bill for an act relating to state government; eliminating requirement for state forecast to account for the rate of inflation; amending Minnesota Statutes 2024, section 16A.103, subdivisions 1a, 1b.

Referred to the Committee on Finance.

Senators Drazkowski and Lucero introduced--

S.F. No. 2676: A bill for an act relating to state government; required training for state employees on preventing, recognizing, and reacting to fraud; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on State and Local Government.

Senators Drazkowski, Bahr, and Lucero introduced--

S.F. No. 2677: A bill for an act relating to state government; requiring state contracts with the federal government to allow the state to withhold fraudulent payments; proposing coding for new law in Minnesota Statutes, chapter 16C.

Referred to the Committee on State and Local Government.

Senators Draheim, Pha, Lucero, Putnam, and Housley introduced--

S.F. No. 2678: A bill for an act relating to housing; modifying the housing affordability fund in fiscal years 2026 and 2027.

Referred to the Committee on Housing and Homelessness Prevention.

Senators Draheim, Jasinski, and Howe introduced--

S.F. No. 2679: A bill for an act relating to workforce development; establishing a private sector equipment training opportunity program; requiring a report; appropriating money.

Referred to the Committee on Jobs and Economic Development.

Senator Draheim introduced--

S.F. No. 2680: A bill for an act relating to capital investment; appropriating money for public infrastructure projects in the city of Good Thunder; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Kunesh, Port, Lucero, Boldon, and Draheim introduced--

S.F. No. 2681: A bill for an act relating to housing; transferring money to the housing development fund; appropriating money for the manufactured home down payment assistance program and the manufactured home park cooperative purchase program.

Referred to the Committee on Housing and Homelessness Prevention.

Senators Utke and Koran introduced--

S.F. No. 2682: A bill for an act relating to health and human services; modifying hospital payment rates; amending Minnesota Statutes 2024, section 256.969, subdivision 2b.

Referred to the Committee on Health and Human Services.

Senators Utke, Farnsworth, and Koran introduced--

S.F. No. 2683: A bill for an act relating to higher education; eliminating the North Star Promise scholarship program; appropriating unencumbered balances in the North Star Promise special revenue

fund account to the state grant program; amending Minnesota Statutes 2024, sections 136A.053; 136A.84, subdivision 3; repealing Minnesota Statutes 2024, section 136A.1465.

Referred to the Committee on Higher Education.

Senator Rarick introduced--

S.F. No. 2684: A bill for an act relating to workforce development; appropriating money to Minnesota Independence College and Community for workforce development services for adults with autism and learning differences.

Referred to the Committee on Jobs and Economic Development.

Senators Dibble and Wiklund introduced--

S.F. No. 2685: A bill for an act relating to education; requiring the Minnesota State High School League to contract for catastrophic accident insurance; requiring catastrophic injury payments; providing a subtraction from income; proposing coding for new law in Minnesota Statutes, chapter 128C.

Referred to the Committee on Education Policy.

Senator Johnson Stewart introduced--

S.F. No. 2686: A bill for an act relating to transportation; environment; requiring the commissioners of transportation and the Pollution Control Agency to be licensed professional engineers; amending Minnesota Statutes 2024, sections 116.03, subdivision 1; 174.02, subdivision 1.

Referred to the Committee on Transportation.

Senator Johnson Stewart introduced--

S.F. No. 2687: A bill for an act relating to transportation; establishing a safe school bus site development work group; requiring reports; appropriating money.

Referred to the Committee on Transportation.

Senator Johnson Stewart introduced--

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

Referred to the Committee on Transportation.

Senator Johnson Stewart introduced--

S.F. No. 2689: A bill for an act relating to consumer protection; adding and modifying provisions governing Medicaid fraud; providing the attorney general certain subpoena and enforcement authority; providing criminal penalties; making conforming changes; appropriating money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 256B.12; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 609.466.

Referred to the Committee on Judiciary and Public Safety.

Senator Boldon introduced--

S.F. No. 2690: A bill for an act relating to education; modifying requirements for access to epinephrine in schools; amending Minnesota Statutes 2024, sections 121A.22, subdivision 2; 121A.2205; 121A.2207.

Referred to the Committee on Education Policy.

Senators Boldon, Putnam, Port, and Kunesh introduced--

S.F. No. 2691: A bill for an act relating to housing; providing standards for rent and utility payments, fees, and charges in manufactured home parks; requiring certain safety inspections; modifying provisions for sale of manufactured home parks; modifying penalties; amending Minnesota Statutes 2024, sections 327C.015, subdivision 13; 327C.03, subdivision 3; 327C.04, subdivision 1, by adding a subdivision; 327C.06, subdivisions 1, 3; 327C.097; 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 2024, section 327C.096.

Referred to the Committee on Housing and Homelessness Prevention.

MOTIONS AND RESOLUTIONS

Senator Mann moved that her name be stricken as a co-author to S.F. No. 86. The motion prevailed.

Senator Weber moved that the name of Senator Howe be added as a co-author to S.F. No. 339. The motion prevailed.

Senator Wiklund moved that the name of Senator Pha be added as a co-author to S.F. No. 1232. The motion prevailed.

Senator Mathews moved that the name of Senator Frenz be added as a co-author to S.F. No. 1393. The motion prevailed.

Senator Kupec moved that the name of Senator Westrom be added as a co-author to S.F. No. 1413. The motion prevailed.

Senator Howe moved that the name of Senator Limmer be added as a co-author to S.F. No. 1427. The motion prevailed.

Senator Westlin moved that the name of Senator Howe be added as a co-author to S.F. No. 1457. The motion prevailed.

Senator Housley moved that the names of Senators Westrom and Draheim be added as co-authors to S.F. No. 1531. The motion prevailed.

Senator Putnam moved that the name of Senator Nelson be added as a co-author to S.F. No. 1541. The motion prevailed.

Senator Maye Quade moved that the name of Senator Abeler be added as a co-author to S.F. No. 1682. The motion prevailed.

Senator Draheim moved that the name of Senator Utke be added as a co-author to S.F. No. 1989. The motion prevailed.

Senator Westlin moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 2019. The motion prevailed.

Senator Nelson moved that the name of Senator Pha be added as a co-author to S.F. No. 2050. The motion prevailed.

Senator Johnson Stewart moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 2093. The motion prevailed.

Senator Dibble moved that the names of Senators Nelson and McEwen be added as co-authors to S.F. No. 2162. The motion prevailed.

Senator Pappas moved that the names of Senators Anderson and Limmer be added as co-authors to S.F. No. 2200. The motion prevailed.

Senator Hoffman moved that the name of Senator Mohamed be added as a co-author to S.F. No. 2215. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 2241. The motion prevailed.

Senator Lucero moved that the name of Senator Gruenhagen be added as a co-author to S.F. No. 2280. The motion prevailed.

Senator Hoffman moved that the name of Senator Abeler be added as a co-author to S.F. No. 2289. The motion prevailed.

Senator McEwen moved that the names of Senators Mohamed and Marty be added as co-authors to S.F. No. 2290. The motion prevailed.

Senator Maye Quade moved that the names of Senators Mohamed and Abeler be added as co-authors to S.F. No. 2383. The motion prevailed.

Senator Drazkowski moved that the names of Senators Howe and Wesenberg be added as co-authors to S.F. No. 2524. The motion prevailed.

Senator Drazkowski moved that the names of Senators Howe and Wesenberg be added as co-authors to S.F. No. 2525. The motion prevailed.

Senator Westrom moved that the names of Senators Eichorn, Lieske, Limmer, and Utke be added as co-authors to S.F. No. 2531. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Kunesh be added as a co-author to S.F. No. 2565. The motion prevailed.

Senator Wiklund moved that S.F. No. 2323 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Health and Human Services. The motion prevailed.

Senator Nelson introduced --

Senate Resolution No. 19: A Senate resolution honoring the Dodge County Wildcats girls hockey team on its state championship.

Referred to the Committee on Rules and Administration.

Senators Fateh and Duckworth introduced --

Senate Concurrent Resolution No. 3: A Senate concurrent resolution relating to the regent nomination joint committee.

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring:

Pursuant to Minnesota Statutes, section 137.0246, subdivision 2, the joint legislative committee for regent nomination shall meet at 6:00 p.m. on March 18, 2025.

Senator Fateh moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

Senator Hoffman from the Committee on Human Services, to which was re-referred

S.F. No. 856: A bill for an act relating to state government; creating the Office of the Inspector General; creating an advisory committee; requiring reports; transferring certain agency duties; appropriating money; amending Minnesota Statutes 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; 142A.03, by adding a subdivision; 256.01, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 15D; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 127A.21.

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

Page 5, line 19, delete "and"

Page 5, line 23, delete the period and insert "; and"

Page 5, after line 23, insert:

"(8) establishing and maintaining a current exclusion list in a format readily accessible to agencies that identifies each program and individual for which the inspector general has made a recommendation under clause (7) to freeze or cease distribution of funds. The inspector general must provide sufficient information to a requesting agency to allow the requesting agency to exercise its statutory obligations to stop fraud and misuse, including but not limited to, under sections 142A.12 and 245.095."

Page 5, line 25, delete "abuse" and insert "misuse"

Page 5, line 31, after "fraud" insert "and misuse"

Page 6, line 4, delete "abuse" and insert "misuse"

Page 8, line 1, after "(3)" insert "the commissioner of health;" and after "services" insert a semicolon

Page 9, line 1, after "of" insert "Health;" and after "Services" insert a semicolon

Page 13, delete lines 17 and 18 and insert:

"(1) the licensing functions under Minnesota Statutes, chapter 142B;

(2) the certification functions under Minnesota Statutes, chapter 142C;

(3) the child care assistance program integrity functions under Minnesota Statutes, chapter 142E;

(4) the food support and antipoverty programs performing recipient fraud prevention investigation functions under Minnesota Statutes, chapter 142F;

(5) the Minnesota family assistance program performing recipient fraud prevention investigation functions under Minnesota Statutes, chapter 142G;

(6) the great start compensation support payment program under Minnesota Statutes, section 142D.21, and Minnesota Statutes, chapter 142E;

(7) the operations and policy functions for the programs in clauses (1) to (6); and

(8) the legal staff for the programs in clauses (1) to (6)."

Page 14, after line 13, insert:

"(c) The interagency agreements entered into under paragraphs (a) and (b) must not contain any language that allows the inspector general to assume jurisdiction over the exceptions in Minnesota Statutes, section 15D.04, subdivision 2, without the express, written consent of the commissioner of human services or children, youth, and families before each potential investigation."

Page 14, after line 27, insert:

"Sec. 2. 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. 3. 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. 4. 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."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on State and Local Government without recommendation. Amendments adopted. Report adopted.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, March 20, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

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