

STATE OF MINNESOTA

Journal of the Senate

NINETY-FOURTH LEGISLATURE

NINETEENTH LEGISLATIVE DAY

St. Paul, Minnesota, Monday, April 7, 2025

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor David Sorn.

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

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.

February 3, 2025

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

Dear Co-Presiding Officers:

Pursuant to Minnesota Statute 15.06, I have designated Shireen Gandhi as Temporary Commissioner of the Department of Human Services, effective February 4, 2025.

Sincerely,
Tim Walz, Governor

April 7, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

The Committee on Rules and Administration met on April 7, 2025, and by appropriate action made the following appointments:

Pursuant to Minnesota Senate Rules

55.1: Subcommittee on Ethical Conduct - Remove Senator Champion from the subcommittee and name Senator Pappas as the chair of the subcommittee.

Sincerely,
Senator Erin Murphy
Chair, Committee on Rules and
Administration
Senate District 64

April 7, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

The Subcommittee on Committees met on April 7, 2025, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes

3.8841: Legislative Commission on Metropolitan Government - Senators Dibble, Johnson Stewart, Pappas, and Xiong to serve a term until January 1, 2027.

Sincerely,
Erin Murphy
Chair, Subcommittee on Committees
Senate District 64

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S.F. No. 1360: A bill for an act relating to public safety; increasing speed limit for implements of husbandry to 35 miles per hour; amending Minnesota Statutes 2024, sections 168A.01, subdivision 8; 169.50, subdivision 1; 169.522, subdivision 1; 169.801, subdivision 6; 169.81, subdivision 5b.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 3, 2025

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 341, 1355, 1792, and 1998.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 3, 2025

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 341: A bill for an act relating to public safety; enhancing penalties and establishing minimum fines for repeat violations of driving without a valid license; amending Minnesota Statutes 2024, section 171.24.

Referred to the Committee on Judiciary and Public Safety.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1346, now on General Orders.

H.F. No. 1792: A bill for an act relating to contracts for deed; modifying definition of investor seller; making technical changes; amending Minnesota Statutes 2024, sections 272.12; 559.21, subdivision 4; 559A.01, subdivisions 3, 5, by adding a subdivision; 559A.03, subdivision 3; 559A.04, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 505, now on General Orders.

H.F. No. 1998: A bill for an act relating to public safety; extending victim notification to order for protection and harassment restraining order violations not prosecuted; clarifying and updating victim notification requirements for law enforcement agencies and prosecutors; amending Minnesota Statutes 2024, sections 611A.02; 611A.0315; 629.341, subdivision 3.

Referred to the Committee on Judiciary and Public Safety.

REPORTS OF COMMITTEES

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

Senator Cwodzinski from the Committee on Education Policy, to which was referred

S.F. No. 1740: A bill for an act relating to education; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition, and state agencies; requiring reports; amending Minnesota Statutes 2024, sections 13.32, subdivision 5; 13.82, subdivision 1; 120B.021, subdivisions 2, 3; 120B.024, subdivision 2; 120B.11, subdivision 1; 120B.117, subdivision 4; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7; 120B.124, subdivision 2; 120B.35, subdivision 3; 121A.031, subdivisions 2, 4, 6; 121A.41, subdivision 10; 121A.49; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124E.02; 124E.03, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivision 8; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; 127A.21, subdivisions 1, 1a, 4, 5, 6, 7, by adding subdivisions; 127A.49, subdivision 3; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 121A; 125A; repealing Minnesota Statutes 2024, section 120B.124, subdivision 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2024, section 120A.22, subdivision 12, is amended to read:

Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to ~~any member of the board, a truant officer, or the school official designated by the principal, or the superintendent.~~ The school district may state in its school attendance policy that it may ask the student's parent or legal guardian to verify in writing the reason for the child's absence from school. A note from a physician or a licensed mental health professional stating that the child cannot attend school is a

valid excuse. The board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) that the child's physical or mental health is such as to prevent attendance at school or application to study for the period required, which includes:

(i) child illness, medical, dental, orthodontic, or counseling appointments, including appointments conducted through telehealth;

(ii) family emergencies;

(iii) the death or serious illness or funeral of an immediate family member;

(iv) active duty in any military branch of the United States;

(v) the child has a condition that requires ongoing treatment for a mental health diagnosis; or

(vi) other exemptions included in the district's school attendance policy;

(2) that the child has already completed state and district standards required for graduation from high school; or

(3) that it is the wish of the parent, guardian, or other person having control of the child that the child attend, for a period or periods not exceeding in the aggregate three hours in any week, instruction conducted by a Tribal spiritual or cultural advisor, or a school for religious instruction conducted and maintained by a church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This instruction must be conducted and maintained in a place other than a public school building, and it must not, in whole or in part, be conducted and maintained at public expense. A child may be absent from school on days that the child attends upon instruction according to this clause.

(b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child from an all-day, every day kindergarten program and put their child in a half-day program, if offered, or an alternate-day program without being truant. A school board must excuse a kindergarten child from a part of a school day at the request of the child's parent.

Sec. 2. Minnesota Statutes 2024, section 120A.22, subdivision 13, is amended to read:

Subd. 13. **Issuing and Reporting excuses attendance.** (a) A student who is participating in cocurricular or extracurricular activities must be counted as in attendance to the extent that the activities occur during school hours. For the purposes of this paragraph, "cocurricular activities" and "extracurricular activities" have the meanings given in section 123B.49, subdivisions 3 and 4.

(b) ~~The clerk or any authorized officer of the board~~ principal must issue and keep a record of such excuses, under such rules as the board may from time to time establish.

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

Sec. 3. Minnesota Statutes 2024, section 120A.24, subdivision 4, is amended to read:

Subd. 4. **Reports to the state or county.** (a) A superintendent must make an annual report to the commissioner of education by December 1 of the total number of nonpublic children reported as residing in the district. The report must include the following information:

(1) the number of children residing in the district attending nonpublic schools or receiving instruction from persons or institutions other than a public school;

(2) the number of children in clause (1) who are in compliance with section 120A.22 and this section; and

(3) the number of children in clause (1) who the superintendent has determined are not in compliance with section 120A.22 and this section.

(b) No later than 15 school days after the beginning of each academic term, a school principal must report to the superintendent a list of names and last known addresses of all students who were enrolled in the school for the previous term, are not enrolled in the school for the current term, and were otherwise eligible for enrollment, unless the school has been notified that the student has enrolled in another school. The superintendent must immediately make the list received from the principal available to an authorized representative of a county agency whose statutory purpose is to enroll students in school.

Sec. 4. Minnesota Statutes 2024, section 120B.021, subdivision 2, is amended to read:

Subd. 2. **Standards development.** (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, health, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, health, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota;

(5) representatives of the Minnesota business community;

(6) representatives from the Tribal Nations Education Committee and Tribal Nations and communities in Minnesota, including both Anishinaabe and Dakota; and

(7) current students, with input from the Minnesota Youth Council.

(b) Academic standards must:

(1) be clear, concise, objective, and measurable, ~~and grade-level appropriate;~~

- (2) not require a specific teaching methodology or curriculum; and
- (3) be consistent with the Constitutions of the United States and the state of Minnesota.

Sec. 5. Minnesota Statutes 2024, section 120B.024, is amended to read:

120B.024 CREDITS.

Subdivision 1. **Graduation requirements.** (a) Students must successfully complete the following high school level credits for graduation:

- (1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

- (2) three credits of mathematics sufficient to satisfy all of the academic standards in mathematics;

- (3) three credits of science, including one credit to satisfy all the earth and space science standards for grades 9 through 12, one credit to satisfy all the life science standards for grades 9 through 12, and one credit to satisfy all the chemistry or physics standards for grades 9 through 12;

- (4) three and one-half credits of social studies, including credit for a course in government and citizenship in either grade 11 or 12 for students beginning grade 9 in the 2025-2026 school year and later or an advanced placement, international baccalaureate, or other rigorous course on government and citizenship under section 120B.021, subdivision 1a, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;

- (5) one credit of the arts sufficient to satisfy all of the academic standards in the arts;

- (6) credit sufficient to satisfy the state standards in physical education;

- (7) credits sufficient to satisfy the state standards in health upon adoption of statewide rules for implementing health standards under section 120B.021; and

- (8) a minimum of seven elective credits.

(b) Students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in personal finance in grade 10, 11, or 12. A teacher of a personal finance course that satisfies the graduation requirement must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agricultural, food, and natural resources education or business education program or department may fulfill a one-half credit in social studies under subdivision 1, clause ~~(5)~~ (4), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill the elective science credit required under subdivision 1, clause ~~(4)~~ (3), if the credit meets the state physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education

credit may fulfill the credit in chemistry or physics required under subdivision 1, clause ~~(4)~~ (3), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause ~~(4)~~ (3).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or ~~(6)~~ (5).

(d) An agricultural, food, and natural resources education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 2, item B, to meet the credit equivalency requirements of paragraph (b) ~~above~~.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

(f) A Project Lead the Way credit may fulfill a science or mathematics credit requirement under subdivision 1, clause (2) or ~~(4)~~ (3), if the credit meets the state academic standards in science or mathematics.

(g) An ethnic studies course may fulfill a social studies, language arts, arts, math, or science credit if the course meets the applicable state academic standards. An ethnic studies course may fulfill an elective credit if the course meets applicable local standards or other requirements.

(h) A personal finance credit taught by a teacher with a field license or out-of-field permission in math may fulfill a mathematics credit requirement under subdivision 1, clause (2).

EFFECTIVE DATE. This section is effective for the 2025-2026 school year and later.

Sec. 6. Minnesota Statutes 2024, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** (a) Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school district, a charter school, or an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution.

(b) If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner. The notice must indicate the course and hours of enrollment of that pupil. The institution must notify the pupil's school as soon as practicable if the pupil withdraws from the enrolled course. The institution must also notify the pupil's school as soon as practicable if the pupil has been absent from a course for ten consecutive days on which classes are held, based upon the postsecondary institution's academic calendar, and the pupil is not receiving instruction in their home or hospital or other facility.

(c) If the pupil enrolls in a course for postsecondary credit, the institution must notify:

- (1) the pupil about payment in the customary manner used by the institution-; and
- (2) the pupil's school as soon as practicable if the pupil withdraws from the course or stops attending the course.

Sec. 7. Minnesota Statutes 2024, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a school district, a charter school, or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 8. Minnesota Statutes 2024, section 124D.09, subdivision 5b, is amended to read:

Subd. 5b. **Authorization; 9th or 10th grade pupil.** Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a school district, a charter school, or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if:

- (1) the school district, charter school, or Tribal school district and the eligible postsecondary institution providing the course agree to the student's enrollment; or
- (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals.

Sec. 9. Minnesota Statutes 2024, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution must give priority to its postsecondary students when enrolling pupils in grades 10, 11, and 12 in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on

educational and programmatic grounds only ~~except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.~~

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student must receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil must not be displaced by another student.

(d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

(e) A postsecondary institution must allow secondary pupils to enroll in online courses under this section consistent with the institution's policy regarding postsecondary pupil enrollment in online courses.

Sec. 10. Minnesota Statutes 2024, section 124D.09, subdivision 10, is amended to read:

Subd. 10. Courses according to agreements. (a) An eligible pupil, according to subdivision 5, may enroll in a nonsectarian course taught by a secondary teacher or a postsecondary faculty member and offered at a secondary school, charter school, Tribal school, or another location, according to an agreement between a public school board, board of directors, or Tribal school and the governing body of an eligible public postsecondary system or an eligible private postsecondary institution, as defined in subdivision 3. All provisions of this section apply to a pupil, public school board, board of directors, Tribal council, district, charter school, Tribal school, and the governing body of a postsecondary institution, except as otherwise provided. A secondary school and a postsecondary institution that enrolls eligible pupils in courses according to agreements must annually report to the commissioner the participation rates of pupils enrolled in courses according to agreements, including the number of pupils enrolled and the number of courses taken for postsecondary or dual credit.

(b) To encourage students, especially American Indian students and students of color, to consider teaching as a profession, participating ~~schools, school districts,~~ schools, school districts, charter schools, Tribal schools, and postsecondary institutions are encouraged to develop and offer an "Introduction to Teaching" or "Introduction to Education" course under this subdivision. For the purpose of applying for grants under this paragraph, "eligible institution" includes ~~schools and school districts,~~ schools and school districts, charter schools, or

Tribal schools that partner with an accredited college or university in addition to postsecondary institutions identified in subdivision 3, paragraph (a). Grant recipients under this paragraph must annually report to the commissioner in a form and manner determined by the commissioner on the participation rates of students in courses under this paragraph, including the number of students who apply for admission to colleges or universities with teacher preparation programs and the number of students of color and American Indian students who earned postsecondary credit. Grant recipients must also describe recruiting efforts intended to ensure that the percentage of participating students who are of color or American Indian meets or exceeds the overall percentage of students of color or American Indian students in the school.

Sec. 11. Minnesota Statutes 2024, section 124D.094, subdivision 1, is amended to read:

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

(b) "Blended instruction" means a form of digital instruction that occurs when a student learns part time in a supervised physical setting and part time through online instruction under paragraph (f).

(c) "Digital instruction" means instruction facilitated by technology that offers students an element of control over the time, place, path, or pace of learning and includes blended and online instruction.

(d) "Enrolling district" means the school district or charter school in which a student is enrolled under section ~~120A.22, subdivision 4~~ 120A.05, subdivision 8, or chapter 124E.

(e) "Online course syllabus" means a written document that identifies the state academic standards taught and assessed in a supplemental online course under paragraph (j); course content outline; required course assessments; instructional methods; communication procedures with students, guardians, and the enrolling district under paragraph (d); and supports available to the student.

(f) "Online instruction" means a form of digital instruction that occurs when a student learns primarily through digital technology away from a supervised physical setting.

(g) "Online instructional site" means a site that offers courses using online instruction under paragraph (f) and may enroll students receiving online instruction under paragraph (f).

(h) "Online teacher" means an employee of the enrolling district under paragraph (d) or the supplemental online course provider under paragraph (k) who holds the appropriate licensure under Minnesota Rules, chapter 8710, and is trained to provide online instruction under paragraph (f).

(i) "Student" means a Minnesota resident enrolled in a school defined under section 120A.22, subdivision 4, in kindergarten through grade 12 up to the age of 21.

(j) "Supplemental online course" means an online learning course taken in place of a course provided by the student's enrolling district under paragraph (d).

(k) "Supplemental online course provider" means a school district, an intermediate school district, a state-operated school, an organization of two or more school districts operating under a

joint powers agreement, or a charter school located in Minnesota that is authorized by the Department of Education to provide supplemental online courses under paragraph (j).

Sec. 12. Minnesota Statutes 2024, section 124D.52, subdivision 2, is amended to read:

Subd. 2. **Program approval.** (a) To receive aid under this section, a district, the Department of Corrections, a private nonprofit organization, or a consortium including districts, nonprofit organizations, or both must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning and English language proficiency will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules;
- (10) program expenditures that qualify for aid;
- (11) program ability to provide data related to learner outcomes as required by law; and
- (12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to ~~five~~ six years. ~~Five-year~~ Six-year program approval must be granted to an applicant who has demonstrated the capacity to:

- (1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill and English language levels of need;
- (2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:
 - (i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, English language learning, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and

(9) spend adult basic education aid on adult basic education purposes only, which are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February 1, of its intent to apply for funds under this section as a single district or as part of a consortium. A district receiving funds under this section must notify the commissioner by February 1 of its intent to change its application status for applications due the following June 1.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes must substitute the term "school district, charter school, or Tribal school" for "district" or "school district" wherever the terms appear in Minnesota Statutes, section 124D.09, subdivisions 3, 4, 6, 7, 8, 9, 11a, 12, 13, 16, 21, and 24, and section 124D.091. The revisor may also make grammatical changes related to the change in terms.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2024, section 13.03, is amended by adding a subdivision to read:

Subd. 3a. **Data requests to school districts.** (a) For purposes of this subdivision, "school district" means an independent, common, or special school district, as defined in section 120A.05, or a cooperative unit under section 123A.24, subdivision 2.

(b) The provisions in this subdivision apply to a request made to a school district to inspect or receive copies of public government data pursuant to subdivision 3. The provisions in this subdivision are in addition to those contained in subdivision 3, except that when the provisions of this subdivision conflict with those of subdivision 3, this subdivision prevails. This subdivision does not apply to a request made by a data subject under section 13.04.

(c) A responsible authority may provide data on a rolling basis to a person making a request under this subdivision. If a responsible authority has notified the requesting person that responsive data or copies are available for inspection or collection, and the requesting person does not inspect the data or collect the copies, the responsible authority may suspend any further response to the request until the requesting person inspects the data that has been made available, or collects and pays for the copies that have been produced.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to data requests made on or after that date.

Sec. 2. **[120B.213] HEALTHY AGING AND DEMENTIA EDUCATION.**

School districts and charter schools are encouraged to provide instruction on healthy aging and dementia to students in grades 6 through 12 that is aligned with applicable health standards and integrated into existing programs, curriculum, or the general school environment of a district or charter school. By July 1, 2026, and each even-numbered year thereafter, the commissioner of education, in consultation with the commissioner of health and dementia advocacy organizations, must provide districts and charter schools with age-appropriate resources on healthy aging and dementia, including but not limited to strategies to maintain brain health, information on Alzheimer's disease and other forms of dementia, and caring for an elder with a cognitive impairment.

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

Sec. 3. Minnesota Statutes 2024, section 120B.35, subdivision 3, is amended to read:

Subd. 3. State growth measures; other state measures. (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of current achievement that show growth relative to an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, seven of the most populous Asian and Pacific Islander groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey; English learners under section 124D.59; home language; free or reduced-price meals; and all students enrolled in a

Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement an appropriate growth model that compares the difference in students' achievement scores over time, and includes criteria for identifying schools and school districts that demonstrate academic progress or progress toward English language proficiency. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59. In addition, the commissioner must report language development outcomes of the target language of instruction other than English for all students who are in a dual language immersion program.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the student categories identified under the federal

Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school, consistent with the student categories identified under paragraph (a), clause (2). The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

- (1) the four- and six-year graduation rates of students under this paragraph;
- (2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.307; and
- (3) the success that learning year program providers experience in:
 - (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

Sec. 4. Minnesota Statutes 2024, section 120B.363, subdivision 1, is amended to read:

Subdivision 1. **Rulemaking.** The ~~Professional Educator Licensing and Standards Board~~ commissioner must adopt rules to implement a statewide credential for education paraprofessionals who assist a licensed teacher in providing student instruction. Any paraprofessional holding this credential or working in a local school district after meeting a state-approved local assessment is considered to be highly qualified under federal law. Under this subdivision, ~~the Professional Educator Licensing and Standards Board, in consultation with~~ the commissioner, must adopt qualitative criteria for approving local assessments that include an evaluation of a paraprofessional's knowledge of reading, writing, and math and the paraprofessional's ability to assist in the instruction of reading, writing, and math. The commissioner must approve or disapprove local assessments using these criteria. The commissioner must make the criteria available to the public.

Sec. 5. Minnesota Statutes 2024, section 120B.363, subdivision 2, is amended to read:

Subd. 2. **Training possibilities.** In adopting rules under subdivision 1, the ~~board~~ commissioner must consider including provisions that provide training in: students' characteristics; teaching and learning environment; academic instruction skills; student behavior; and ethical practices.

Sec. 6. Minnesota Statutes 2024, section 121A.031, subdivision 2, is amended to read:

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

(b) "District" means a district under section 120A.05, subdivision 8.

(c) "Public school" or "school" means a public school under section 120A.05, subdivisions 9, 11, 13, and 17, and a charter school under chapter 124E.

(d) "Student" means a student enrolled in a school under paragraph (c).

(e) "Bullying" means intimidating, threatening, abusive, or harming conduct that is objectively offensive and:

(1) there is an actual or perceived imbalance of power between the student engaging in prohibited conduct and the target of the behavior and the conduct is repeated or forms a pattern; or

(2) materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges.

(f) "Cyberbullying" means bullying using technology or other electronic communication, including but not limited to a transfer of a sign, signal, writing, image, sound, or data, including a post on a social network Internet website or forum, transmitted through a computer, cell phone, or other electronic device.

(g) Intimidating, threatening, abusive, or harming conduct may involve, but is not limited to, conduct that causes physical harm to a student or a student's property or causes a student to be in reasonable fear of harm to person or property; under Minnesota common law, violates a student's reasonable expectation of privacy, defames a student, or constitutes intentional infliction of emotional distress against a student; is directed at any student or students, including those based on a person's actual or perceived race, ethnicity, color, creed, religion, national origin, immigration status, sex, marital status, familial status, socioeconomic status, physical appearance, sexual orientation, including gender identity and expression, academic status related to student performance, disability, or status with regard to public assistance, age, or any additional characteristic defined in chapter 363A. However, prohibited conduct need not be based on any particular characteristic defined in this paragraph or chapter 363A.

(h) "Prohibited conduct" means bullying or cyberbullying as defined under this subdivision or retaliation for asserting, alleging, reporting, or providing information about such conduct or knowingly making a false report about bullying.

(i) "Remedial response" means a measure to stop and correct prohibited conduct, prevent prohibited conduct from recurring, and protect, support, and intervene on behalf of the student who is the target of the prohibited conduct. Remedial responses may include but are not limited to nonexclusionary disciplinary policies and practices as defined in sections 121A.41, subdivision 12, and 121A.425, subdivision 2, and comprehensive school mental health systems.

(j) "Familial status" means the condition of one or more minors being domiciled having legal status or custody with (1) the minor's parent or parents or the minor's legal guardian or guardians, or (2) the designee of the parent or parents or guardian or guardians with the written permission of the parent or parents or guardian or guardians.

Sec. 7. Minnesota Statutes 2024, section 121A.031, subdivision 4, is amended to read:

Subd. 4. **Local policy components.** (a) Each district and school policy implemented under this section must, at a minimum:

(1) designate a staff member as the primary contact person in the school building to receive reports of prohibited conduct under clause (3), ensure the policy and its procedures including restorative practices, consequences, and sanctions are fairly and fully implemented, and serve as the primary contact on policy and procedural matters implicating both the district or school and the department;

(2) require school employees who witness prohibited conduct or possess reliable information that would lead a reasonable person to suspect that a student is a target of prohibited conduct to make reasonable efforts to address and resolve the prohibited conduct;

(3) provide a procedure to begin to investigate reports of prohibited conduct within three school days of the report, and make the primary contact person responsible for the investigation and any resulting record and for keeping and regulating access to any record;

(4) indicate how a school will respond to an identified incident of prohibited conduct, including immediately intervening to protect the target of the prohibited conduct; at the school administrator's discretion and consistent with state and federal data practices law governing access to data, including

section 13.02, subdivision 8, a presumption that a district or school official will notify the ~~parent~~ individuals with familial status of the reported target of the prohibited conduct and the ~~parent~~ individuals with familial status of the actor engaged in the prohibited conduct; providing other remedial responses to the prohibited conduct; and ensuring that remedial responses are tailored to the particular incident and nature of the conduct and the student's developmental age and behavioral history;

(5) prohibit reprisals or retaliation against any person who asserts, alleges, or reports prohibited conduct or provides information about such conduct and establish appropriate consequences for a person who engages in reprisal or retaliation;

(6) allow anonymous reporting but do not rely solely on an anonymous report to determine discipline;

(7) provide information about available community resources to the target, actor, and other affected individuals, as appropriate;

(8) where appropriate for a child with a disability to prevent or respond to prohibited conduct, allow the child's individualized education program or section 504 plan to address the skills and proficiencies the child needs to respond to or not engage in prohibited conduct;

(9) use new employee training materials, the school publication on school rules, procedures, and standards of conduct, and the student handbook on school policies to publicize the policy;

(10) require ongoing professional development, consistent with section 122A.60, to build the skills of all school personnel who regularly interact with students, including but not limited to educators, administrators, school counselors, social workers, psychologists, other school mental health professionals, school nurses, cafeteria workers, custodians, bus drivers, athletic coaches, extracurricular activities advisors, and paraprofessionals to identify, prevent, and appropriately address prohibited conduct;

(11) allow the alleged actor in an investigation of prohibited conduct to present a defense; and

(12) inform affected students and their parents of their rights under state and federal data practices laws to obtain access to data related to the incident and their right to contest the accuracy or completeness of the data.

(b) Professional development under a local policy includes, but is not limited to, information about:

(1) developmentally appropriate strategies both to prevent and to immediately and effectively intervene to stop prohibited conduct;

(2) the complex dynamics affecting an actor, target, and witnesses to prohibited conduct;

(3) research on prohibited conduct, including specific categories of students at risk for prohibited conduct in school;

(4) the incidence and nature of cyberbullying; and

(5) Internet safety and cyberbullying.

Sec. 8. Minnesota Statutes 2024, section 121A.031, subdivision 6, is amended to read:

Subd. 6. **State model policy.** (a) The commissioner, in consultation with the commissioner of human rights, shall develop and maintain a state model policy. A district or school that does not adopt and implement a local policy under subdivisions 3 to 5 must implement and may supplement the provisions of the state model policy. The commissioner must assist districts and schools under this subdivision to implement the state policy. The state model policy must:

(1) define prohibited conduct, consistent with this section;

(2) apply the prohibited conduct policy components in this section;

(3) for a child with a disability, whenever an evaluation by an individualized education program team or a section 504 team indicates that the child's disability affects the child's social skills development or the child is vulnerable to prohibited conduct because of the child's disability, the child's individualized education program or section 504 plan may address the skills and proficiencies the child needs to not engage in and respond to such conduct; and

(4) encourage violence prevention and character development education programs under section 120B.232, subdivision 1.

(b) The commissioner shall develop and post departmental procedures for:

(1) periodically reviewing district and school programs and policies for compliance with this section;

(2) ~~investigating~~ assessing, evaluating, reporting, and responding to noncompliance with this section, which may include an annual review of plans to improve and provide a safe and supportive school climate; and

(3) allowing students, parents, and educators to file a complaint about noncompliance with the commissioner.

(c) The commissioner must post on the department's website information indicating that when districts and schools allow non-curriculum-related student groups access to school facilities, the district or school must give all student groups equal access to the school facilities regardless of the content of the group members' speech.

(d) The commissioner must develop and maintain resources to assist a district or school in implementing strategies for creating a positive school climate and use evidence-based, social-emotional learning to prevent and reduce discrimination and other improper conduct.

Sec. 9. Minnesota Statutes 2024, section 121A.041, subdivision 2, is amended to read:

Subd. 2. **Prohibition on American Indian mascots.** (a) Starting September 1, 2026, a public school may not have or adopt a name, symbol, or image that depicts or refers to an American Indian Tribe, individual, custom, or tradition to be used as a mascot, nickname, logo, letterhead, or team

name of the school, district, or school within the district, unless the school has obtained an exemption under subdivision 3.

(b) The prohibition in paragraph (a) does not apply to a public school located within the reservation of a federally recognized Tribal Nation in Minnesota, where at least 95 percent of students meet the state definition of American Indian student.

(c) A school district with a prohibited American Indian mascot according to paragraph (a), that has not received an exemption according to subdivision 3, must report to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education policy and education finance by February 14, 2025, and again by February 1, 2026, on the district's progress to comply with this section; and the district must submit copies of the reports to the Legislative Reference Library. The reports must include the following:

(1) confirmation that the district has removed the American Indian mascot, nickname, logo, letterhead, or team name from the district website;

(2) confirmation that the board of the district has approved a new mascot, nickname, logo, letterhead, or team name;

(3) a summary of the district's progress on removing the American Indian mascot, nickname, logo, letterhead, or team name from uniforms, equipment, signs, elements of facilities, and other district items; and

(4) a summary of resources necessary to comply with the prohibition in paragraph (a) and the district's plan to raise and allocate any necessary funds.

EFFECTIVE DATE. This section is effective for reports submitted after June 30, 2025.

Sec. 10. Minnesota Statutes 2024, section 121A.041, subdivision 3, is amended to read:

Subd. 3. **Exemption.** A public school may seek an exemption to subdivision 2 by ~~submitting a request in writing to all 11 federally recognized Tribal Nations in Minnesota and to the Tribal Nations Education Committee by September 1, 2023. The exemption is denied if any of the 11 Tribal Nations or the Tribal Nations Education Committee oppose the exemption by December 15, 2023 requesting a letter of consent from the federally recognized Tribal Nation in Minnesota that is located nearest to the public school.~~ A public school whose request for an exemption consent from a Tribal Nation is denied must comply with subdivision 2 ~~by September 1, 2026.~~

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

Sec. 11. Minnesota Statutes 2024, section 121A.22, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that are:

(1) purchased without a prescription;

(2) used by a pupil who is 18 years old or older;

(3) used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;

(4) used in situations in which, in the judgment of the school personnel, including a licensed nurse, who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;

(5) used off the school grounds;

(6) used in connection with athletics or extra curricular activities;

(7) used in connection with activities that occur before or after the regular school day;

(8) provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12;

(9) prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler, consistent with section 121A.221, if the district has received a written authorization from the pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or

(10) epinephrine ~~auto-injectors~~ delivery systems, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to epinephrine ~~auto-injectors~~ delivery systems that the parent provides properly labeled to the school for the pupil as needed.

Sec. 12. Minnesota Statutes 2024, section 121A.2205, is amended to read:

121A.2205 POSSESSION AND USE OF EPINEPHRINE ~~AUTO-INJECTORS~~ DELIVERY SYSTEMS; MODEL POLICY.

Subdivision 1. **Definitions.** As used in this section:

(1) "administer" means the direct application of an epinephrine ~~auto-injector~~ delivery system to the body of an individual;

(2) "epinephrine ~~auto-injector~~ delivery system" means a ~~device that automatically injects a premeasured dose of epinephrine~~ medication product approved by the United States Food and Drug Administration that automatically delivers a single, premeasured dose of epinephrine to prevent or treat a life-threatening allergic reaction; and

(3) "school" means a public school under section 120A.22, subdivision 4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that is subject to the federal Americans with Disabilities Act.

Subd. 2. **Plan for use of epinephrine ~~auto-injectors~~ delivery systems.** (a) At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school

staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health plan for a student who is prescribed epinephrine ~~auto-injectors~~ delivery systems that enables the student to:

(1) possess epinephrine ~~auto-injectors~~ delivery systems; or

(2) if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to epinephrine ~~auto-injectors~~ delivery systems in close proximity to the student at all times during the instructional day.

The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering epinephrine ~~auto-injectors~~ delivery systems when required, consistent with section 121A.22, subdivision 2, clause (10). This health plan may be included in a student's 504 plan.

(b) Other nonpublic schools are encouraged to develop and implement an individualized written health plan for students requiring epinephrine ~~auto-injectors~~ delivery systems, consistent with this section and section 121A.22, subdivision 2, clause (10).

(c) A school district and its agents and employees are immune from liability for any act or failure to act, made in good faith, in implementing this section and section 121A.2207.

(d) The ~~education~~ commissioner of education, in collaboration with the commissioner of health, may develop and transmit to interested schools a model policy and individualized health plan form consistent with this section and federal 504 plan requirements. The policy and form may:

(1) assess a student's ability to safely possess epinephrine ~~auto-injectors~~ delivery systems;

(2) identify staff training needs related to recognizing anaphylaxis and administering epinephrine when needed;

(3) accommodate a student's need to possess or have immediate access to epinephrine ~~auto-injectors~~ delivery systems in close proximity to the student at all times during the instructional day; and

(4) ensure that the student's parent provides properly labeled epinephrine ~~auto-injectors~~ delivery systems to the school for the student as needed.

(e) Additional epinephrine ~~auto-injectors~~ delivery systems may be available in school first aid kits.

(f) The school board of the school district must define instructional day for the purposes of this section.

Sec. 13. Minnesota Statutes 2024, section 121A.2207, is amended to read:

121A.2207 LIFE-THREATENING ALLERGIES IN SCHOOLS; STOCK SUPPLY OF EPINEPHRINE ~~AUTO-INJECTORS~~ DELIVERY SYSTEMS.

Subdivision 1. **Districts and schools permitted to maintain supply.** (a) Notwithstanding section 151.37, districts and schools may obtain and possess epinephrine ~~auto-injectors~~ delivery systems to be maintained and administered by school personnel, including a licensed nurse, to a student or other individual if, in good faith, it is determined that person is experiencing anaphylaxis regardless of whether the student or other individual has a prescription for an epinephrine ~~auto-injector~~ delivery system. The administration of an epinephrine ~~auto-injector~~ delivery system in accordance with this section is not the practice of medicine.

(b) Registered nurses may administer epinephrine ~~auto-injectors~~ delivery systems in a school setting according to a condition-specific protocol as authorized under section 148.235, subdivision 8. Notwithstanding any limitation in sections 148.171 to 148.285, licensed practical nurses may administer epinephrine ~~auto-injectors~~ delivery systems in a school setting according to a condition-specific protocol that does not reference a specific patient and that specifies the circumstances under which the epinephrine ~~auto-injector~~ delivery system is to be administered, when caring for a patient whose condition falls within the protocol.

Subd. 2. **Arrangements with manufacturers.** A district or school may enter into arrangements with manufacturers of epinephrine ~~auto-injectors~~ delivery systems to obtain epinephrine ~~auto-injectors~~ delivery systems at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine ~~auto-injectors~~ delivery systems.

Subd. 3. **Standing order for distribution and condition-specific protocol.** The commissioner of health must provide a district or school with a standing order for distribution of epinephrine delivery systems under sections 148.235, subdivision 8; and 151.37, subdivision 2.

Sec. 14. Minnesota Statutes 2024, section 121A.224, is amended to read:

121A.224 OPIATE ANTAGONISTS.

Subdivision 1. **School district or charter school.** (a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have at least two doses of a nasal opiate antagonist available on site.

(c) The commissioner of health shall identify resources, including at least one training video, to help schools implement an opiate antagonist emergency response and make the resources available for schools.

(d) A school board may adopt a model plan for use, storage, and administration of opiate antagonists.

Subd. 2. **High school students.** A school district or charter school must allow a student in grades 9 through 12 to possess and administer an opiate antagonist to another high school student if the district or charter school has received written authorization from the student's parent or guardian permitting the student to possess and administer the opiate antagonist. The protections of section 604A.04 apply to the possession and administration of opiate antagonists according to this section.

Sec. 15. Minnesota Statutes 2024, section 121A.23, subdivision 1, is amended to read:

Subdivision 1. **Sexually transmitted infections and diseases program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

(1) planning materials, guidelines, and other ~~technically accurate and~~ updated information that is medically accurate and unbiased;

(2) a comprehensive, ~~technically~~ medically accurate, unbiased, and updated curriculum that includes helping students ~~to abstain from sexual activity until marriage and gain knowledge of other methods of preventing sexually transmitted infections and diseases, and is inclusive of all students regardless of their protected class status under chapter 363A;~~

(3) cooperation and coordination among districts and SCs;

~~(4) a targeting of adolescents, especially those who may be at high risk of contracting sexually transmitted infections and diseases, for prevention efforts;~~

~~(5)~~ (4) involvement of parents and other community members;

~~(6)~~ (5) in-service training for appropriate district staff and school board members;

~~(7)~~ (6) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;

~~(8)~~ (7) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and

~~(9)~~ (8) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Sec. 16. Minnesota Statutes 2024, section 121A.41, subdivision 10, is amended to read:

Subd. 10. **Suspension.** "Suspension" means an action by the school administration, under rules promulgated by the school board, prohibiting a pupil from attending school for a period of no more than ten school days. If a suspension is longer than five days, the suspending administrator must provide the superintendent with a reason for the longer suspension. This definition does not apply to dismissal from school for ~~one school day or less than one school day,~~ except as provided in federal law for a student with a disability. Each suspension action may include a readmission plan. The

readmission plan shall include, where appropriate, a provision for implementing alternative educational services upon readmission and may not be used to extend the current suspension. Consistent with section 125A.091, subdivision 5, the readmission plan must not obligate a parent to provide a sympathomimetic medication for the parent's child as a condition of readmission. The school administration may not impose consecutive suspensions against the same pupil for the same course of conduct, or incident of misconduct, except where the pupil will create an immediate and substantial danger to self or to surrounding persons or property, or where the district is in the process of initiating an expulsion, in which case the school administration may extend the suspension to a total of 15 school days.

Sec. 17. Minnesota Statutes 2024, section 121A.49, is amended to read:

121A.49 APPEAL.

A party to an exclusion or expulsion decision made under sections 121A.40 to 121A.56 may appeal the decision to the commissioner of education within 21 calendar days of school board action. Upon being served with a notice of appeal, the district shall provide the commissioner and the parent or guardian with a complete copy of the hearing record, including a written transcript of the expulsion hearing, within five days of its receipt of the notice of appeal. All written submissions by the appellant must be submitted and served on the respondent within ten days of ~~its actual~~ receipt of the hearing record, including the written transcript. All written submissions by the respondent must be submitted and served on the appellant within ten days of its actual receipt of the written submissions of the appellant. The decision of the school board must be implemented during the appeal to the commissioner.

In an appeal under this section, the commissioner may affirm the decision of the agency, may remand the decision for additional findings, or may reverse or modify the decision if the substantial rights of the petitioners have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

- (1) in violation of constitutional provisions;
- (2) in excess of the statutory authority or jurisdiction of the school district;
- (3) made upon unlawful procedure, except as provided in section 121A.48;
- (4) affected by other error of law;
- (5) unsupported by substantial evidence in view of the entire record submitted; or
- (6) arbitrary or capricious.

The commissioner or the commissioner's representative shall make a final decision based upon the record. The commissioner shall issue a decision within 30 calendar days of receiving the entire record and the parties' written submission on appeal. The commissioner's decision shall be final and binding upon the parties after the time for appeal expires under section 121A.50.

Sec. 18. Minnesota Statutes 2024, section 121A.73, is amended to read:

121A.73 SCHOOL CELL PHONE POLICY.

(a) A school district or charter school must adopt a policy on students' possession and use of cell phones in school by March 15, 2025. The Minnesota Elementary School Principals' Association and the Minnesota Association of Secondary School Principals must collaborate to make best practices available to schools on a range of different strategies in order to minimize the impact of cell phones on student behavior, mental health, and academic attainment.

(b) Beginning in the 2026-2027 school year, the school district or charter school's school cell phone policy must prohibit cell phones and smart watches in school for students in grades kindergarten through 8 and prohibit cell phones and smart watches in classrooms for students in grades 9 through 12. The policy must provide exceptions for devices necessary for medical use, exceptions for devices included in an individualized education program for a student with a disability, or other exceptions at the discretion of the school principal.

Sec. 19. Minnesota Statutes 2024, section 122A.09, subdivision 9, is amended to read:

Subd. 9. Professional Educator Licensing and Standards Board must adopt rules. (a) The Professional Educator Licensing and Standards Board must adopt rules subject to the provisions of chapter 14 to implement sections ~~120B.363~~, 122A.05 to 122A.09, 122A.092, 122A.16, 122A.17, 122A.18, 122A.181, 122A.182, 122A.183, 122A.184, 122A.185, 122A.187, 122A.188, 122A.19, 122A.20, 122A.21, 122A.23, 122A.26, 122A.28, 122A.29, and 124D.72.

(b) The board must adopt rules relating to fields of licensure and grade levels that a licensed teacher may teach, including a process for granting permission to a licensed teacher to teach in a field that is different from the teacher's field of licensure without change to the teacher's license tier level.

(c) If a rule adopted by the board is in conflict with a session law or statute, the law or statute prevails. Terms adopted in rule must be clearly defined and must not be construed to conflict with terms adopted in statute or session law.

(d) The board must include a description of a proposed rule's probable effect on teacher supply and demand in the board's statement of need and reasonableness under section 14.131.

(e) The board must adopt rules only under the specific statutory authority.

Sec. 20. Minnesota Statutes 2024, section 122A.092, subdivision 2, is amended to read:

Subd. 2. Requirements for board approval. Teacher preparation programs must demonstrate the following to obtain board approval:

(1) the program has implemented a research-based, results-oriented curriculum that focuses on the skills teachers need in order to be effective;

(2) the program provides a student teaching program;

(3) the program demonstrates effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes;

(4) the program includes a common core of teaching knowledge and skills. This common core shall meet the standards developed by the Interstate New Teacher Assessment and Support

~~Consortium in its 1992 model standards for beginning teacher licensing and development. Amendments to standards adopted under this clause are subject to chapter 14. The Professional Educator Licensing and Standards Board shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this clause during the most recent school year;~~

(5) the program includes instruction on the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language and achievement in content areas in a regular classroom setting; and

(6) the program includes culturally competent training in instructional strategies consistent with section 120B.30, subdivision 8.

Sec. 21. Minnesota Statutes 2024, section 122A.092, subdivision 5, is amended to read:

Subd. 5. **Reading strategies.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in its teacher preparation programs evidence-based best practices in reading, consistent with sections 120B.118 to 120B.124, including instruction on phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Instruction on reading must enable the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated instructional strategies for English learners developing literacy skills. ~~A teacher preparation provider also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively.~~

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying evidence-based, structured literacy reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with sections 120B.118 to 120B.124, with emphasis on mastery of foundational reading skills so that students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels, including multilingual learners and students demonstrating characteristics of dyslexia, to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

(1) the nature and symptoms of dyslexia;

(2) resources available for students who show characteristics of dyslexia;

(3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and

(4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

(d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

Sec. 22. Minnesota Statutes 2024, section 122A.181, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 1 license for a term of one year. A Tier 1 license may be renewed subject to paragraphs (b) and (c).

(b) The Professional Educator Licensing and Standards Board must renew a Tier 1 license if:

(1) the district or charter school requesting the renewal demonstrates that it has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position;

~~(2) the teacher holding the Tier 1 license took a content examination in accordance with section 122A.185 and submitted the examination results to the teacher's employing district or charter school within one year of the board approving the request for the initial Tier 1 license;~~

~~(3)~~ (2) the teacher holding the Tier 1 license participated in cultural competency training consistent with section 120B.30, subdivision 8, within one year of the board approving the request for the initial Tier 1 license; and

~~(4)~~ (3) the teacher holding the Tier 1 license met the mental illness training renewal requirement under section 122A.187, subdivision 6.

~~The requirement in clause (2) does not apply to a teacher that teaches a class in a career and technical education or career pathways course of study.~~

(c) A Tier 1 license must not be renewed more than three times, unless the requesting district or charter school can show good cause for additional renewals. A Tier 1 license issued to teach (1) a class or course in a career and technical education or career pathway course of study, or (2) in a shortage area, as defined in section 122A.06, subdivision 6, may be renewed without limitation.

Sec. 23. Minnesota Statutes 2024, section 123B.09, is amended by adding a subdivision to read:

Subd. 1b. **Student representatives.** The school board is strongly encouraged to adopt a process to include two student representatives to serve one-year terms to advise the school board. The board process must include a process for replacing a student representative if the original student cannot serve the entire one-year term. A student representative is bound by the same rules and regulations within the law that bind the board. A student representative's actions must follow the board's rules and processes around personal conduct.

Sec. 24. Minnesota Statutes 2024, section 123B.52, is amended by adding a subdivision to read:

Subd. 6a. **Disposing of surplus books.** Notwithstanding section 471.345, governing school district contracts made upon sealed bid or otherwise complying with the requirements for competitive bidding, other provisions of this section governing school district contracts, or other law to the contrary, a school district under this subdivision may dispose of school books, including library books, books from an individual classroom library, and textbooks including other materials accompanying a textbook. A school district may dispose of surplus books by donating them to a family of a student residing in the district or a charitable organization under section 501(c)(3) of the Internal Revenue Code.

Sec. 25. Minnesota Statutes 2024, section 124D.162, is amended to read:

124D.162 KINDERGARTEN ~~ENTRY FALL~~ ASSESSMENT.

Subdivision 1. **Assessment required.** The commissioner of education must implement a kindergarten ~~entry fall~~ assessment of incoming kindergartners to identify the percent of kindergartners who meet or exceed end-of-year prekindergarten early learning standards.

Subd. 2. **Process.** (a) School districts and charter schools must choose a kindergarten ~~entry fall~~ assessment tool ~~from a menu of valid and reliable measurement instruments~~ approved by the department that:

(1) ~~are~~ is aligned to the state early childhood indicators of progress and kindergarten standards and ~~are~~ is based on the criteria to be an early learning assessment approved by the department;

(2) ~~support~~ supports the striving for comprehensive achievement and civic readiness plan goals in section 120B.11, subdivision 1, paragraph (c); and

(3) ~~are~~ is based, in part, on information collected from teachers, early learning professionals, families, and other partners.

(b) The department must provide technical assistance and professional development related to the assessment required under this section to educators, school districts, and charter schools.

Subd. 3. **Reporting.** School districts and charter schools must annually report the results of kindergarten ~~entry fall~~ assessments to the department in a form and manner determined by the commissioner that is concurrent with a district's and charter school's comprehensive achievement and civic readiness ~~report plan~~ under section 120B.11, subdivision 5. The commissioner must publicly report kindergarten ~~readiness fall assessment~~ results as part of the performance reports required under section 120B.36 and in a manner consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 4. **Implementation.** The requirements under this section must be phased in over ~~three~~ four school years with all school districts and charter schools complying beginning with the ~~2025-2026~~ 2026-2027 school year.

Sec. 26. Minnesota Statutes 2024, section 124D.792, is amended to read:

124D.792 GRADUATION CEREMONIES; TRIBAL REGALIA AND OBJECTS OF CULTURAL SIGNIFICANCE; DRUMMING.

(a) A school district or charter school must not prohibit an American Indian student from wearing American Indian regalia, Tribal regalia, or objects of cultural significance at a graduation ceremony.

(b) If requested by the school's American Indian parent advisory committee or an American Indian student organization, a school district or charter school must allow American Indian drumming at a graduation ceremony.

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

Sec. 27. **[124D.793] AMERICAN INDIAN DRUMMING.**

If requested by the school's American Indian parent advisory committee, a school district or charter school must allow American Indian drumming.

Sec. 28. Laws 2024, chapter 115, article 2, section 21, subdivision 2, is amended to read:

Subd. 2. **Required health-related subject areas.** The commissioner must include the following expectations for learning in the statewide standards:

(1) cardiopulmonary resuscitation and automatic external defibrillator education that allows districts to provide instruction to students in grades 7 through 12 in accordance with Minnesota Statutes, section 120B.236;

(2) vaping awareness and prevention education that allows districts to provide instruction to students in grades 6 through 8 in accordance with Minnesota Statutes, section 120B.238, subdivision 3;

(3) cannabis use and substance use education that includes overdose recognition, prevention, and response education that allows districts to provide instruction to students in grades 6 through 12 in accordance with Minnesota Statutes, section 120B.215;

(4) sexually transmitted infections and diseases education that meets the requirements of Minnesota Statutes, section 121A.23; and

(5) mental health education for students in grades 4 through 12.

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

Sec. 29. Laws 2024, chapter 115, article 2, section 21, subdivision 3, is amended to read:

Subd. 3. **Other health-related subject areas.** The commissioner may include the following expectations for learning in the statewide standards:

(1) child physical and sexual abuse prevention education in accordance with Minnesota Statutes, sections 120B.021, subdivision 1, paragraph (d); and 120B.234;

(2) violence prevention education in accordance with Minnesota Statutes, section 120B.22;

(3) character development education in accordance with Minnesota Statutes, section 120B.232;

(4) safe and supportive schools education in accordance with Minnesota Statutes, section 121A.031, subdivision 5; and

(5) other expectations for learning identified through the standards development process.

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

Sec. 30. **REPEALER.**

Minnesota Statutes 2024, section 123B.935, subdivision 2, is repealed.

ARTICLE 3

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2024, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, ~~or a local official,~~ a member of a charter school board, or a charter school director or chief administrator.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

Sec. 2. Minnesota Statutes 2024, section 124E.02, is amended to read:

124E.02 DEFINITIONS.

(a) For purposes of this chapter, the terms defined in this section have the meanings given them.

(b) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.

(c) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person.

(d) "Charter management organization" or "CMO" means a nonprofit entity or organization that operates or manages a charter school or a network of charter schools or can control all or substantially all of a school's education program or a school's administrative, financial, business, or operational functions.

(e) "Competitive procurement process" means a process for procurement by sealed bids or by proposals under section 124E.26, subdivision 4a.

(~~e~~) (f) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.

(~~f~~) (g) "Educational management organization" or "EMO" means a for-profit entity or organization that operates or manages a charter school or a network of charter schools or can control all or substantially all of a school's education program, or a school's administrative, financial, business, or operational functions.

(~~g~~) (h) "Immediate family member" means any relationship by blood, marriage, adoption, or partnership of spouses, parents, grandparents, siblings, children, first cousins, aunts, uncles, grandchildren, nieces, and nephews.

(~~h~~) (i) "Market need and demand study" means a study that includes the following for the proposed locations of the school or additional site that supports all of the proposed grades, sites, and programs:

- (1) current and projected demographic information;
- (2) student enrollment patterns;
- (3) information on existing schools and types of educational programs currently available;
- (4) characteristics of proposed students and families;
- (5) availability of properly zoned and classified facilities; and
- (6) quantification of existing demand for the school or site.

(~~i~~) (j) "Person" means an individual or entity of any kind.

(~~j~~) (k) "Related party" means an affiliate or immediate family member of the other interested party, an affiliate of an immediate family member who is the other interested party, or an immediate family member of an affiliate who is the other interested party.

(~~k~~) (l) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Sec. 3. Minnesota Statutes 2024, section 124E.03, subdivision 2, is amended to read:

Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A charter school must comply with ~~statewide accountability requirements governing standards and assessments in~~ chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(d) A charter school is a district for the purposes of tort liability under chapter 466.

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for comprehensive achievement and civic readiness.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575, 121A.60, 121A.61, and 121A.65.

(k) A charter school must comply with the limits on screen time for children in preschool, prekindergarten, and kindergarten under section 124D.166.

Sec. 4. Minnesota Statutes 2024, section 124E.03, is amended by adding a subdivision to read:

Subd. 11. **Statement of economic interest; gift ban.** Members of charter school boards and persons employed as charter school directors and chief administrators are subject to the requirements of sections 10A.071 and 471.895.

Sec. 5. Minnesota Statutes 2024, section 124E.05, subdivision 2, is amended to read:

Subd. 2. **Roles, responsibilities, and requirements of authorizers.** (a) The role of an authorizer is to ensure that a school it authorizes has the autonomy granted by statute, fulfills the purposes of a charter school, and is accountable to the agreed upon terms of the charter school contract in order to safeguard quality educational opportunities for students and maintain public trust and confidence.

(b) An authorizer has the following responsibilities:

(1) to review applications for new schools, determine whether a new school is ready to open, review applications for grade and site expansions, review applications for change in authorizers, and determine whether to approve or deny an application based on the authorizer's approved criteria;

(2) to negotiate and execute the performance charter contracts with the schools it authorizes;

(3) to conduct ongoing monitoring, oversight, and evaluation of the school's academic, operational, and financial performance during the term of the charter contract;

(4) to evaluate the academic, operational, and financial performance of the school as defined in the charter contract prior to the end of the contract to determine the renewal, nonrenewal, or termination of the contract; and

(5) to comply with authorizer requirements in chapter 124E.

(c) An authorizer must document in the authorizer annual report under section 124E.16, subdivision 2, paragraph (b), the annual successful completion of training of its staff members during the previous year relative to chartering ~~and~~, an authorizer's role and responsibilities, and each authorizer's performance review findings listed under subdivision 5.

(d) An authorizer must participate in annual department-approved training.

Sec. 6. Minnesota Statutes 2024, section 124E.06, subdivision 7, is amended to read:

Subd. 7. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The effective date of a merger must be July 1. The merged school must continue under the identity of one of the merging schools. The authorizer and the merged school must execute a new charter contract under section 124E.10, subdivision 1, by ~~July~~ June 1, before the effective date of the merger. The authorizer must submit to the commissioner a copy of the new signed charter contract within ten business days of executing the contract.

(b) Each merging school must submit a separate year-end report for the previous fiscal year for that school only. After the final fiscal year of the premerger schools is closed out, each of those schools must transfer the fund balances and debts to the merged school.

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 7. Minnesota Statutes 2024, section 124E.06, is amended by adding a subdivision to read:

Subd. 8. **Change in location.** A developing, preoperational, or operational charter school with an approved affidavit must apply to its authorizer to change the charter school's location by submitting documentation, including a revised market need and demand study, to the authorizer for authorizer review and approval. The authorizer must establish a review process to ensure the location change will address market need and demand as well as the charter school's ongoing viability.

Sec. 8. Minnesota Statutes 2024, section 124E.07, subdivision 2, is amended to read:

Subd. 2. **Ongoing board of directors.** The initial board must begin the transition to the ongoing board structure by the end of the first year of operation and complete the transition by the end of the second year of operation. The terms of board members shall begin on July 1. Terms shall be no less than two years. The bylaws shall set the number of terms an individual may serve on the board and as an officer of the board. ~~Board elections must be held during the school year but may not be conducted on days when the school is closed.~~

Sec. 9. Minnesota Statutes 2024, section 124E.07, subdivision 3, is amended to read:

Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall have at least five members. The board members must not be related parties. The ongoing board must include: (1) at least one licensed teacher; (2) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (3) at least one interested community

member. A community member serving on the board must reside in Minnesota, must not have a child enrolled in the school, and must not be an employee of the charter school.

(b) To serve as a licensed teacher on a charter school board, an individual must:

(1) be employed by the school or provide at least 720 hours of service under a contract between the charter school and a teacher cooperative;

(2) be a qualified teacher as defined under section 122A.16, either serving as a teacher of record in a field in which the individual has a field license, or providing services to students the individual is licensed to provide; and

(3) not serve in an administrative or supervisory capacity for more than 240 hours in a school calendar year.

(c) The board structure must be defined in the bylaws. The board structure may (1) be a majority of teachers under paragraph (b), (2) be a majority of parents, (3) be a majority of community members, or (4) have no clear majority.

(d) The chief administrator may only serve as an ex-officio nonvoting board member. No charter school employees shall serve on the board other than teachers under paragraph (b).

(e) A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors. In addition, an individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.

(f) A violation of paragraph (e) renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates paragraph (e) is individually liable to the charter school for any damage caused by the violation.

(g) Any employee, agent, contractor, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.

(h) An individual is prohibited from serving on more than one charter school board at the same time in either an elected or ex-officio capacity, except that an individual serving as an administrator serving more than one school under section 124E.12, subdivision 2, paragraph (f), may serve on each board as an ex-officio member. A board member who violates this paragraph is ineligible to continue to serve as a charter school board member and is ineligible to be elected or appointed to a charter school board for 24 months.

(i) A board member, who is paid for serving on the charter school board, must not receive more compensation for their role as a charter school board member than a school board member in the school district in which the charter school is located.

Sec. 10. Minnesota Statutes 2024, section 124E.07, subdivision 5, is amended to read:

Subd. 5. **Board elections.** (a) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors.

(b) The board of directors must establish and publish election policies and procedures on the school's website.

(c) The board of directors must notify eligible voters of the school board election dates and voting procedures at least 30 calendar days before the election and post this information on the school's website.

(d) The board of directors must notify eligible voters of the candidates' names, biographies, and candidate statements at least ten calendar days before the election and post this information on the school's website.

(e) Board elections must be held during the school year but may not be conducted on days when school is closed.

(f) An initial member and an elected board member must file a written oath of office with the charter school's authorizer.

Sec. 11. Minnesota Statutes 2024, section 124E.07, subdivision 6, is amended to read:

Subd. 6. **Duties.** (a) The board of directors also shall decide and is responsible for all decision making on policy matters related to operating the school, including budgeting, curriculum programming, personnel, and operating procedures. The board must adopt personnel evaluation policies and practices that, at a minimum:

(1) carry out the school's mission and goals;

(2) evaluate how charter contract goals and commitments are executed;

(3) evaluate student achievement, postsecondary and workforce readiness, and student engagement and connection goals;

(4) establish a teacher evaluation process under section 124E.03, subdivision 2, paragraph (h); and

(5) provide professional development related to the individual's job responsibilities.

(b) The board must adopt a nepotism policy that prohibits the employment of immediate family members of a board member, a school employee, or a teacher who provides instruction under a contract between the charter school and a cooperative. The board may waive this policy if: (1) the position is publicly posted for 20 business days; and (2) a two-thirds majority of the remaining board of directors who are not immediate family members of an applicant vote to approve the hiring. A board member, school employee, or teacher under contract with a cooperative must not be involved

in an interview, selection process, hiring, supervision, or evaluation of an employee who is an immediate family member.

(c) The board of directors must establish a finance committee that meets regularly and includes at least one member of the school's board. The committee must review and provide recommendations to the board on matters related to financial health and best practices, which may include but are not limited to financial strategy, enrollment tracking, budgeting and planning, internal controls and compliance, revenue generation, financial conflicts of interest, audits and financial reporting, regular finance statements and transactions, and authorizer finance related requirements in the charter contract.

(d) A charter school board that is under corrective action for financial reasons, as determined by its authorizer, must:

(1) include the authorizer in regularly scheduled finance committee meetings, either in person or virtually, at least monthly; and

(2) upon the request of the authorizer, hire a financial expert.

Sec. 12. Minnesota Statutes 2024, section 124E.07, subdivision 8, is amended to read:

Subd. 8. **Meetings and information.** (a) Board of director meetings must comply with chapter 13D governing open meetings.

(b) Charter school board meetings shall be recorded by video recording including audio at the expense of the governing body. A charter school shall publish and maintain on the school's official website: (1) the recordings of board meetings, within 30 days following the earlier of the date of board approval or the next regularly scheduled meeting, and for at least 365 days from the date of publication; (2) the meeting minutes of the board of directors and of ~~members and~~ committees having board-delegated authority, within 30 days following the earlier of the date of board approval or the next regularly scheduled meeting, and for at least 365 days from the date of publication; (2) (3) directory information for the board of directors and for the members of committees having board-delegated authority; and (3) (4) identifying and contact information for the school's authorizer.

(c) A charter school must include identifying and contact information for the school's authorizer in other school materials it makes available to the public.

Sec. 13. Minnesota Statutes 2024, section 124E.10, subdivision 4, is amended to read:

Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days after receiving notice of nonrenewal or termination of the contract. Failure

by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The hearing must be live-streamed and recorded by audio recording, video recording, or a court reporter. The authorizer must preserve the recording for three years and make the recording available to the public. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(b) An authorizer may terminate or not renew a contract upon any of the following grounds:

- (1) failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If the authorizer terminates or does not renew a contract under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

(c) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing authorizer, and after providing an opportunity for a public hearing, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

- (1) failure to meet pupil performance requirements, consistent with state law;
- (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or
- (3) repeated or major violations of the law.

Sec. 14. Minnesota Statutes 2024, section 124E.13, subdivision 3, is amended to read:

Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. One charter school may organize an affiliated nonprofit building corporation that serves only that charter school if the charter school:

- (1) has operated for at least six consecutive years;
- (2) as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;
- (3) has long-range strategic and financial plans that include enrollment projections for at least five years;

(4) completes a feasibility study of facility options that outlines the benefits and costs of each option; and

(5) has a plan that describes project parameters and budget.

(b) An affiliated nonprofit building corporation under this subdivision must:

(1) be incorporated under chapter 317A;

(2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;

(3) post on the school website the name, mailing address, bylaws, minutes of board meetings, and names of the current board of directors of the affiliated nonprofit building corporation;

(4) submit to the commissioner a copy of its annual audit by December 31 of each year; and

(5) comply with government data practices law under chapter 13.

(c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(d) The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer must oversee the efforts of the board of directors of the charter school to ensure legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must consider that failure when evaluating the charter school.

(e) A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors of the charter school's affiliated building corporation. In addition, an individual is prohibited from serving as a member of the board of directors of a charter school's affiliated building corporation if the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A charter school employee or immediate family member of that employee may serve on the board of directors of the charter school's affiliated building corporation if the employee has no conflict of interest, as defined in section 471.87.

Sec. 15. Minnesota Statutes 2024, section 124E.16, subdivision 1, is amended to read:

Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under this subdivision. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing auditing procedures. The audit must comply with the requirements of sections 123B.75 to 123B.83 governing school district finance,

except when the commissioner and authorizer approve a deviation made necessary because of school program finances. The commissioner, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(b) The charter school must submit an audit report, including all supplemental information included with the audit, to the commissioner and its authorizer annually by December 31.

(c) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information: (1) a copy of ~~a new any~~ any management agreement ~~or an amendment to a current agreement~~ with a CMO or EMO ~~signed during the audit year~~; and (2) a copy of a service agreement or contract with a company or individual totaling over five percent of the audited expenditures for the most recent audit year. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services.

(d) A charter school independent audit report shall include audited financial data of an affiliated building corporation under section 124E.13, subdivision 3, or other component unit.

(e) If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the charter school will resolve that material weakness. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

Sec. 16. Minnesota Statutes 2024, section 124E.16, subdivision 3, is amended to read:

Subd. 3. **Public accounting and reporting CMO and EMO agreements.** (a) A charter school that enters into a management agreement with a CMO or EMO must:

(1) publish on the charter school website for at least 20 business days the proposed final agreement for public review and comment before the school board may adopt the contract or agreement. Any changes made to the posted agreement during the public review period or any proposed amendments to the agreement once adopted must be posted for 20 business days before the board may adopt the amendments to the contract;

(2) annually publish on the charter school website a statement of assurance that no member of the school board, staff, or any agent of the school has been promised or received any form of compensation or gifts from the CMO or EMO and that no board member, employee, or agent of the CMO or EMO or any of the organization affiliates or providers serve on the charter school board; and

(3) conduct an independent review and evaluation of the services provided by the CMO or EMO and publish the evaluation on the school's website at least 30 business days before the end of the current contract.

(b) A management agreement with a CMO or EMO must contain the following:

(1) the term of the contract, not to exceed five years;

(2) the total dollar value of the contract including the annual projected costs of services;

(3) a description and terms of the services to be provided during the term of the contract;

(4) notice that a charter school closure during the term of the contract by action of the authorizer or the school's board results in the balance of the current contract becoming null and void;

(5) an annual statement of assurance to the charter school board that the CMO or EMO provided no compensation or gifts to any charter school board member, staff member, or agent of the charter school;

(6) an annual statement of assurance that no ~~charter school~~ board member, employee, contractor, or agent of the CMO or EMO or any affiliated organization is a board member of the charter school or any other charter school;

(7) the policies and protocols that meet federal and state laws regarding student and personnel data collection, usage, access, retention, disclosure and destruction, and indemnification and warranty provisions in case of data breaches by the CMO or EMO; and

(8) an annual assurance that all assets purchased on behalf of the charter school using public funds remain assets of the school.

(c) The CMO or EMO must annually provide the charter school board a financial report by July 31 that accounts for income and expenditures for the previous fiscal year using the account categories in uniform financial accounting and reporting standards.

(d) Any agreement with a CMO or EMO containing any of the following provisions is null and void:

(1) restrictions on the charter school's ability to operate a school upon termination of the agreement;

(2) restrictions on the annual or total amount of the school's operating surplus or fund balance;

(3) authorization to allow a CMO or EMO to withdraw funds from a charter school account; or

(4) authorization to allow a CMO or EMO to loan funds to the charter school.

(e) A CMO or EMO or its affiliates, employees, or agents may not contract with, be employed by, or serve on the board of an authorizer. An authorizer or its affiliates, employees, or agents may not contract with, be employed by, serve as a paid consultant for, or serve as a board member of a CMO or EMO.

Sec. 17. Minnesota Statutes 2024, section 124E.16, is amended by adding a subdivision to read:

Subd. 4. Authorizer performance evaluation report. (a) A charter school must publish on its website the formal written performance evaluation from its authorizer and disseminate the evaluation to enrolled families in languages they understand, consistent with the school's language access plan under section 124E.03, subdivision 9, paragraph (b).

(b) Evaluations must be published on the charter school's website within 15 business days of receipt of the evaluation by the charter school and for at least 365 days from the date of publication.

Sec. 18. Minnesota Statutes 2024, section 124E.17, is amended to read:

124E.17 DISSEMINATION OF INFORMATION.

Subdivision 1. **Charter school information.** (a) Charter schools must disseminate information about the school's offerings and enrollment procedures to families that reflect the diversity of Minnesota's population and targeted groups. Targeted groups include low-income families and communities, students of color, students at risk of academic failure, and students underrepresented in the school's student body relative to Minnesota's population. The school must document its dissemination activities in the school's annual report. The school's dissemination activities must be a component of the authorizer's performance review of the school.

(b) Authorizers and the commissioner must disseminate information to the public on how to form and operate a charter school. Authorizers, operators, and the commissioner also may disseminate information to interested stakeholders about the successful best practices in teaching and learning demonstrated by charter schools.

(c) For each charter school it authorizes, an authorizer must publish on its website for at least five years from the date of issuance all charter contracts and amendments executed under section 124E.10; school performance reviews including the performance evaluations required by section 124E.10, subdivision 1, paragraph (a), clause (6), if different; notices of intent to terminate or not renew the charter contract and related final determinations; and unresolved notices of intervention, deficiency, concern, corrective action, or probationary status.

(d) Each charter school must post a link in a conspicuous place on the school's official website to the section of its authorizer's website where information listed in paragraph (c) specific to that school is published. A charter school must also, upon the request of the authorizer, distribute information from their authorizer about interventions, corrective actions, and probationary status by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school.

Subd. 2. **Financial information.** (a) Upon request of an individual, the charter school must make available in a timely fashion financial statements showing all operations and transactions affecting the school's income, surplus, and deficit during the last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period.

(b) Upon request of an individual, an authorizer must make available in a timely fashion financial statements showing all operations and transactions affecting the authorizer's income, surplus, and deficit during the last annual accounting period, and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. An authorizer must publish on its website an annual financial statement identifying its sources of income related to authorizing activities and its authorizing expenses including staff, consultants, facility, professional development, transportation, membership dues, technology, office supplies, bank fees, administrative overhead, and professional fees for accounting, legal, and financial services, consistent with section 124E.05, subdivision 8, and a balance sheet related to authorizing activities summarizing assets and liabilities.

Sec. 19. Minnesota Statutes 2024, section 124E.26, subdivision 4, is amended to read:

Subd. 4. **Required policy components.** A charter school procurement policy must at a minimum include:

(1) conflict of interest provisions consistent with section 124E.14;

(2) thresholds for purchases by employees without board approval;

(3) thresholds for purchases that require competitive bidding procurement processes as defined in section 124E.02, paragraph (e), except that a competitive bidding procurement process must occur for any procurement estimated to exceed \$25,000; and

(4) a prohibition on breaking up a procurement into smaller components to avoid the thresholds established in clauses (2) and (3).

Notwithstanding clause (3), for a procurement estimated to exceed \$25,000 but not \$175,000, the purchase may be made either by a competitive procurement process, or by direct negotiation, by obtaining two or more bids or proposals for the purchase or sale when possible and without advertising for bids or proposals or otherwise complying with the requirements of a competitive procurement process. If a procurement is estimated to exceed \$175,000, a competitive procurement process must occur.

Sec. 20. Minnesota Statutes 2024, section 124E.26, is amended by adding a subdivision to read:

Subd. 4a. **Competitive procurement.** (a) "Procurement by sealed bids" means a process in which bids are publicly solicited and a firm fixed price contract by lump sum or unit price is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is the lowest in price. If sealed bids are used, the following requirements apply:

(1) bids must be solicited from an adequate number of qualified sources, providing bidders sufficient response time prior to the date set for opening bids;

(2) the invitation for bids, which includes any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(3) all bids will be opened at the time and place prescribed in the invitation for bids, and the bids must be opened publicly;

(4) a firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that the discounts are usually taken advantage of;

(5) any or all bids may be rejected if there is a sound documented reason; and

(6) in order for a sealed bid to be feasible, the following conditions must be present:

(i) a complete, adequate, and realistic specification or purchase description is available;

(ii) two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the price.

(b) "Procurement by proposals" means a process in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

(1) requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) the charter school must have a written method for conducting technical evaluations of the proposals received and for making selections; and

(3) contracts must be awarded to the responsible offeror whose proposal is most advantageous to the charter school, with price and other factors considered.

Sec. 21. Minnesota Statutes 2024, section 124E.26, subdivision 5, is amended to read:

Subd. 5. **Reduction in aid.** If a charter school makes a purchase without a procurement policy adopted by the school's board or makes a purchase not in conformity with the school's procurement policy, or the adopted policy does not meet the requirements of this section, the commissioner may reduce that charter school's state aid in an amount equal to the purchase.

Sec. 22. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical and other changes necessitated by the renumbering and cross-reference changes in this act.

Column A

124E.16, subdivision 3

Column B

124E.27

ARTICLE 4

THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.119, subdivision 2a, is amended to read:

Subd. 2a. **Certified trained facilitator.** "Certified trained facilitator" means a person employed by a district or ~~regional literacy network~~ Minnesota service cooperative who has completed professional development approved by the Department of Education in structured literacy, completed the vendor's certification prerequisites and facilitator training requirements, completed the vendor's annual recertification requirements, remains in good standing with the sponsoring agency and vendor, uses the vendor's training materials with fidelity, and participates in mentoring or coaching provided

by CAREI and the Department of Education on facilitating literacy training. ~~A literacy lead who meets the requirements under this subdivision may be a certified trained facilitator.~~

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

Sec. 2. Minnesota Statutes 2024, section 120B.119, subdivision 10, is amended to read:

Subd. 10. **Oral language.** "Oral language," also called "spoken expressive language" or "receptive language," includes speaking and listening, and consists of five components: phonology, morphology, syntax, semantics, and pragmatics. Oral language also includes sign language, in which speaking and listening skills are defined as expressive and receptive skills, and consists of phonology, including sign language phonological awareness, morphology, syntax, semantics, and pragmatics.

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

Sec. 3. Minnesota Statutes 2024, section 120B.12, subdivision 1, is amended to read:

Subdivision 1. **Literacy goal.** (a) The legislature seeks to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learners and students receiving special education services in achieving their individualized reading goals in order to meet grade-level ~~proficiency~~ benchmarks. By the 2026-2027 school year, districts must provide evidence-based reading instruction through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with sections 120B.118 to 120B.124.

(b) To meet this goal, each district must provide teachers and instructional support staff with responsibility for teaching reading with training on evidence-based reading instruction that is approved by the Department of Education by the deadlines provided in section 120B.123, subdivision 5.

(c) Districts are strongly encouraged to adopt a MTSS framework. The framework should include a process for engaging families and communities, monitoring student progress, evaluating program fidelity, and analyzing student outcomes and needs in order to design and implement ongoing evidenced-based, culturally responsive instruction and interventions.

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

Sec. 4. Minnesota Statutes 2024, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners ~~and~~ students receiving special education services, and students enrolled in dual language immersion programs, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, ~~oral~~ language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Students enrolled in dual language

immersion programs must be screened in the partner language of the program at the same intervals as the screenings in English. The screening tool must be approved by the district for kindergarten through grade 3 students enrolled in dual language immersion programs. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and oral expressive-receptive language mastery. The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills.

(b) A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15.

~~(b)~~ (c) Students in grades 4 and above, including multilingual learners and students receiving special education services, who ~~do not demonstrate mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language, are not reading at grade level~~ must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by the Department of Education ~~for characteristics of dyslexia~~, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

~~(c)~~ (d) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

~~(d)~~ (e) The district also must include in its local literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

- (1) a summary of the district's efforts to screen for reading difficulties, including dyslexia;
- (2) the number of students universally screened for that reporting year;
- (3) the number of students demonstrating characteristics of dyslexia for that year; and
- (4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

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

Sec. 5. Minnesota Statutes 2024, section 120B.12, subdivision 2a, is amended to read:

Subd. 2a. **Parent notification and involvement.** (a) A district must administer an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. Schools, after administering each screener, must give the parent of each student who is not reading at or above grade level ~~timely~~ information from the screener about:

(1) the student's reading proficiency as measured by a screener approved by the Department of Education;

(2) reading-related services currently being provided to the student and the student's progress; and

(3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

(b) For students enrolled in dual language immersion programs, the district-approved screener must measure the student's reading proficiency in the program's partner language. The dual language immersion program may provide information about national research or reading proficiency in the parent notification.

(c) A district may not use this section to deny a student's right to a special education evaluation.

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

Sec. 6. Minnesota Statutes 2024, section 120B.12, subdivision 3, is amended to read:

Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district shall provide aligned and targeted reading intervention support to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. A district is encouraged to provide reading intervention through a MTSS framework. If a student does not read at or above grade level by the end of the current school year, the district must continue to provide aligned and targeted reading intervention support as defined by the MTSS framework until the student reads at grade level. If less than 60 percent of students have reached the benchmark target, class wide Tier 1 interventions must be implemented. Students receiving Tier 2 or Tier 3 interventions must receive those interventions in addition to Tier 1 instruction. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs that specialize in evidence-based instructional practices ~~and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language. Intervention may include but is not limited to requiring student attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.~~

(b) A district or charter school is strongly encouraged to provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3 or a screener identified by the Department of Education under section 120B.123. The district or charter school must determine the format of the personal learning plan in collaboration

with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction that is evidence-based and ongoing progress monitoring, and address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

(c) Starting in the ~~2025-2026~~ 2026-2027 school year, a district must use only evidence-based literacy interventions. Districts are strongly encouraged to use intervention materials approved by the Department of Education under the Read Act.

(d) Starting in the 2026-2027 school year, to provide a Tier 2 literacy intervention, a trained teacher who has completed one of the three approved professional development trainings must oversee and monitor the instruction provided by any paraprofessional or other unlicensed person, including a volunteer, must be supervised by a licensed teacher who has completed training in evidence-based reading instruction approved by the Department of Education, and has completed. A paraprofessional or other unlicensed person, including a volunteer, must complete evidence-based training developed under the Read Act by CAREI or and offered through the regional literacy networks under section 120B.124, subdivision 4, or a training that the department has determined meets or exceeds the requirements of section 120B.124, subdivision 4.

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

Sec. 7. Minnesota Statutes 2024, section 120B.12, subdivision 4, is amended to read:

Subd. 4. **Staff development.** (a) A district must provide training on evidence-based structured literacy instruction to teachers and instructional staff in accordance with subdivision 1, paragraphs (b) and (c). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) Each district shall use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement explicit, systematic, evidence-based instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension with emphasis on mastery of foundational reading skills as defined in section 120B.119 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers receive training to provide students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have opportunities to improve reading and writing instruction through approved professional development identified in the local literacy plan;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including ~~oral~~ academic language development, and build academic literacy; and

(5) licensed teachers are trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

(c) A district that offers early childhood programs, including voluntary prekindergarten for eligible four-year-old children, early childhood special education, and school readiness programs, must provide classroom teachers in early childhood programs training approved by the Department of Education to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

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

Sec. 8. Minnesota Statutes 2024, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting ~~approved~~ evidence-based curricula and materials starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

- (i) students in kindergarten through grade 3;
- (ii) students who demonstrate characteristics of dyslexia; and
- (iii) students in grades 4 to 12 who are identified as not reading at grade level;

(9) the number of teachers and other staff who have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy; and

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act.

(b) The district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education annually beginning June 15, 2024.

(c) ~~By March 1, 2024, the commissioner of education must develop~~ Districts must use a streamlined template developed by the commissioner of education for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff, by grade level, who have completed training approved by the Department of Education;

(2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

(4) the statewide total number of teachers or other staff required to complete the training under section 120B.123, subdivision 5 that have received other training or education that meets the requirements of the training approved by the Department of Education;

(5) by school site and grade, the approved screeners and the reading curriculum used; and

~~(5)~~ (6) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

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

Sec. 9. Minnesota Statutes 2024, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. The screener must be one of the screening tools approved by the Department of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff, ~~contractors,~~ and ~~volunteers~~ external partners offering literacy supports in schools may only use screeners that have been approved by the Department of Education.

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

Sec. 10. Minnesota Statutes 2024, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

(1) ~~reading~~ literacy intervention teachers working with students in kindergarten through grade 12;

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) kindergarten through grade 12 special education teachers responsible for literacy instruction;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing ~~Fier 2~~ literacy interventions under the oversight and monitoring of a trained licensed teacher;

(6) employees who select literacy instructional materials for a district; and

(7) teachers licensed to teach English to multilingual learners.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide foundational reading skills instruction to students in grades 4 to 12; and

(2) teachers who provide instruction to students in a state-approved alternative program.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by a department-approved certified trained facilitator may satisfy the professional development requirements under this subdivision.

(e) Beginning July 1, 2027, an educator required to receive training under paragraph (a), who is new to the state of Minnesota or is a newly licensed teacher who did not receive instruction in the teaching of foundational reading skills based on structured literacy, must complete one of the approved required trainings. Training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. The Department of Education must review district literacy lead waiver requests and grant waivers to educators new to the state or educators who provide reading instruction exclusively using alternatives to sound-based approaches, and who have completed the professional development requirements consistent with this subdivision.

(~~e~~) (f) For the 2024-2025 and 2025-2026 school year years only, the hours of instruction requirement under section 120A.41 for students in an elementary and secondary school, as defined in section 120A.05, ~~subdivision~~ subdivisions 9 and 13, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in an elementary and secondary school, as defined in section 120A.05, ~~subdivision~~ subdivisions 9 and 13, by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision on a day when other students receive instruction. The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 school year.

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

Sec. 11. Minnesota Statutes 2024, section 120B.123, is amended by adding a subdivision to read:

Subd. 5a. Teacher licensure; renewal. (a) Starting July 1, 2027, a Tier 1 early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, and is licensed under section 122A.181 for their first licensure renewal must demonstrate that they are registered for, are currently taking, or have completed evidence-based structured literacy training consistent with training approved by the Department of Education. A Tier 1 teacher may demonstrate evidence of progress in meeting the subject matter reading standards for reading in administrative rule through evidence-based structured literacy coursework or through employer verification. The training required

must be in progress before a second renewal of the Tier 1 license. A hiring district, cooperative, or charter school is responsible for any fees and enrollment costs associated with completing these professional development requirements. An individual educator must not be financially responsible for the initial enrollment costs associated with the training needed to meet these requirements.

(b) Starting, July 1, 2027, a Tier 2 early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, and is licensed under section 122A.182, for their first licensure renewal must demonstrate that they are registered for, currently taking, or have completed evidence-based structured literacy training consistent with training approved by the Department of Education. A Tier 2 teacher may demonstrate evidence of progress in meeting the subject matter reading standards for reading in administrative rule through evidence-based structured literacy coursework or through employer verification. The training required must be in progress before the first renewal of the Tier 2 license is granted. A hiring district, cooperative, or charter school is responsible for any fees and enrollment costs associated with completing these professional development requirements. An individual educator must not be financially responsible for the initial enrollment costs associated with the training needed to meet these requirements.

(c) Starting July 1, 2027, a Tier 2 early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, who demonstrates field-specific teaching experience to complete the coursework requirements under section 122A.183, subdivision 2, clause (5), must demonstrate they have completed evidence-based structured literacy training required under subdivision 5 before the Professional Educator Licensing and Standards Board issues the Tier 3 license. The board must not deny a Tier 3 license to an educator who has made progress toward completion, but has not completed, the required training. A hiring district, cooperative, or charter school is responsible for any fees and enrollment costs associated with completing these professional development requirements. An individual educator must not be financially responsible for the initial enrollment costs associated with the training needed to meet these requirements.

(d) Starting July 1, 2027, a teacher with a kindergarten through grade 12 reading endorsement or kindergarten through grade 12 English as a second language license from the Professional Educator Licensing and Standards Board must demonstrate to the school's relicensure committee they have completed evidence-based structured literacy training equivalent to the training required in subdivision 5. A hiring district, cooperative, or charter school is responsible for any fees and enrollment costs associated with completing these professional development requirements. An individual educator must not be financially responsible for the initial enrollment costs associated with the training needed to meet these requirements.

(e) An educator that fails to complete the required professional development within a vendor's subscription window due to medical, personal, or family leave or for reasons tied to a learning disability, must not be held financially responsible for the costs of extending the training. An educator

that fails to complete the required professional development within a vendor's subscription window for reasons of insubordination or willful refusal to comply with state and district directives regarding the professional development are subject to the disciplinary procedures outlined in their collective bargaining agreement or set by their hiring charter school or cooperative.

Sec. 12. Minnesota Statutes 2024, section 120B.123, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(c) The department and CAREI must identify training required for a literacy lead and literacy specialist employed by a district or Minnesota service cooperatives.

(d) The department must employ one or more literacy specialists to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(e) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

(f) The department must partner with CAREI as required under section 120B.124 to approve literacy intervention models, subject to final determination by the department. The department must make a list of the 15 approved evidence-based intervention models available to districts as they are approved by the department and CAREI, starting November 1, 2025. Upon approval of the evidence-based intervention models, the department must ensure the models are reviewed by a contracted third party for culturally responsive guidance and materials, and make those findings available to districts once the review process is complete. The department must notify districts of the two-step review process for all materials approved under the Read Act for effectiveness as evidence-based structured literacy, and for cultural responsiveness.

(g) The department and CAREI must provide ongoing coaching, mentoring, and support to certified trained facilitators.

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

Sec. 13. Minnesota Statutes 2024, section 120B.124, subdivision 2, is amended to read:

Subd. 2. ~~Reconsideration~~ **Curriculum review cycle.** (a) Every five years, starting July 1, 2030, the department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of reviewed curricula or professional development and intervention programs ~~a specific curriculum or professional development program~~. The department must publish the request

procedure for reconsideration procedure review on the department website by July 1, 2029. A request for reconsideration review must demonstrate that the curriculum or professional development intervention program meets the requirements of the Read Act, is evidence-based, and has structured literacy components. The department and CAREI must review the request for reconsideration and approve or deny the request within 60 days. The review process must use the rubric used to approve curriculum under subdivision 1 with the addition of culturally responsive criteria as determined by the third-party review. Alternative curriculum and intervention programs for those who cannot access sound-based approaches must be reviewed on the same review cycle as traditional programs.

(b) The department and CAREI must conduct a final curriculum review of previously submitted curriculum by March 3, 2025, to review curriculum that is available to districts at no cost. The reviewed resources must be categorized as highly aligned, partially aligned, minimally aligned, or not aligned to evidence-based structured literacy practices. Nonranked curricular resources do not fully meet the criteria to be classified as a Tier 1 core highly aligned program. The reviewed resources categories are defined as follows:

(1) "highly aligned" means 100 percent of domains were at or above the cut point with no significant red flags identified for the program;

(2) "partially aligned" means 60 to 99 percent of domains were at or above the cut point;

(3) "minimally aligned" means 34 to 59 percent of domains were at or above the cut point; and

(4) "not aligned" means 33 percent or less of domains were at or above the cut point.

It is a district's responsibility, when planning for curriculum implementation, to verify that instruction and materials align with evidence-based structured literacy practices and to resolve issues identified in the report and rubric provided by the Department of Education.

(c) A district must ensure that any red flags for a program are resolved through district enhancements to the selected program.

(d) A program going through a full review cycle will be added to the reviewed curricula and intervention program list after the review process is completed.

(e) Only materials that are categorized as highly aligned qualify for use of literacy incentive aid under section 124D.98, or state funding provided under the Read Act.

Sec. 14. Minnesota Statutes 2024, section 122A.181, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 1 license for a term of one year. A Tier 1 license may be renewed subject to paragraphs (b) ~~and (e)~~ to (d).

(b) The Professional Educator Licensing and Standards Board must renew a Tier 1 license if:

(1) the district or charter school requesting the renewal demonstrates that it has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position;

(2) the teacher holding the Tier 1 license took a content examination in accordance with section 122A.185 and submitted the examination results to the teacher's employing district or charter school within one year of the board approving the request for the initial Tier 1 license;

(3) the teacher holding the Tier 1 license participated in cultural competency training consistent with section 120B.30, subdivision 8, within one year of the board approving the request for the initial Tier 1 license; and

(4) the teacher holding the Tier 1 license met the mental illness training renewal requirement under section 122A.187, subdivision 6.

The requirement in clause (2) does not apply to a teacher that teaches a class in a career and technical education or career pathways course of study.

(c) A Tier 1 license must not be renewed more than three times, unless the requesting district or charter school can show good cause for additional renewals. A Tier 1 license issued to teach (1) a class or course in a career and technical education or career pathway course of study, or (2) in a shortage area, as defined in section 122A.06, subdivision 6, may be renewed without limitation.

(d) Starting July 1, 2027, a Tier 1 licensed early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, must demonstrate progress toward meeting the evidence-based literacy training requirements of section 120B.123, subdivision 5a, for their second licensure renewal.

Sec. 15. Minnesota Statutes 2024, section 122A.182, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 2 license for a term of two years. A Tier 2 license may be renewed three times.

(b) Before a Tier 2 license is renewed for the first time, a teacher holding a Tier 2 license must participate in cultural competency training consistent with section 120B.30, subdivision 8, and mental illness training under section 122A.187, subdivision 6.

(c) Starting July 1, 2027, a Tier 2 licensed early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, must demonstrate that they have made progress toward completing the evidence-based literacy training requirements of section 120B.123, subdivision 5a, for the first renewal of their initial license.

(d) The board must issue rules setting forth the conditions for additional renewals after the initial license has been renewed three times.

Sec. 16. Minnesota Statutes 2024, section 122A.183, subdivision 2, is amended to read:

Subd. 2. **Coursework.** (a) An applicant for a Tier 3 license must meet the coursework requirement by demonstrating one of the following:

(1) completion of a Minnesota-approved teacher preparation program;

(2) completion of a state-approved teacher preparation program that includes field-specific student teaching equivalent to field-specific student teaching in Minnesota-approved teacher preparation programs. The field-specific student teaching requirement does not apply to an applicant that has two years of field-specific teaching experience;

(3) a recommendation for licensure through the licensure via portfolio process;

(4) a professional teaching license from another state, evidence that the applicant's license is in good standing, and two years of field-specific teaching experience; or

(5) three years of teaching experience under a Tier 2 license and evidence of summative teacher evaluations that did not result in placing or otherwise keeping the teacher on an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5.

(b) Starting July 1, 2027, a Tier 2 early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, who demonstrates field-specific teaching experience to complete the coursework requirements under this subdivision must demonstrate they have completed evidence-based structured literacy training according to section 120B.123, subdivision 5a, before the Professional Educator Licensing and Standards Board may issue an initial Tier 3 license.

Sec. 17. Minnesota Statutes 2024, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including evidence-based literacy instruction under sections 120B.118 to 120B.124, to children age 3 to grade 3 and interventions for children in kindergarten to grade 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 142D.12, subdivision 3, paragraph (b).

(c) Literacy programs under this subdivision must use a department-approved screener, evidence-based reading instruction, and interventions focused on structured literacy. ServeMinnesota must demonstrate to the department that the training AmeriCorps members receive meets or exceeds the requirements of section 120B.124, subdivision 4, for volunteers. Minnesota Reading Corps

AmeriCorps members are not required to complete the training under section ~~120B.24~~ 120B.124, subdivision 4.

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

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

Sec. 18. **REPEALER.**

Minnesota Statutes 2024, section 120B.124, subdivision 6, is repealed.

ARTICLE 5

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2024, section 123B.32, subdivision 1, is amended to read:

Subdivision 1. **Language access plan required.** Starting in the 2025-2026 school year, during a regularly scheduled public board hearing, a school board must adopt a language access plan that specifies the district's process and procedures to render effective language assistance to students and adults who communicate in a language other than English or require additional assistance due to a disability. The language access plan must be available to the public and included in the school's handbook.

Sec. 2. Minnesota Statutes 2024, section 123B.32, subdivision 2, is amended to read:

Subd. 2. **Plan requirements.** The language access plan must include how the district and its schools will use trained or certified spoken language interpreters for communication related to academic outcomes, progress, determinations, and placement of students in specialized programs and services, such as special education and related individualized education programs under section 125A.08; and ensure meaningful participation in the individualized education program process by families where the family speaks a language other than English or has a disability themselves; how families and communities will be notified of their rights under this plan; and a process to appeal the accommodations of the access plan if needs are not met.

Sec. 3. Minnesota Statutes 2024, section 125A.091, subdivision 3a, is amended to read:

Subd. 3a. **Additional requirements for prior written notice.** In addition to federal law requirements, a prior written notice shall:

(1) inform the parent that except for the initial placement of a child in special education evaluation and the initial provision of special education and related services generally, the school district will proceed with its proposal for the child's placement or for providing special education services unless the child's parent notifies the district of an objection within 14 days of when the district sends the prior written notice to the parent; and

(2) state that a parent who objects to a proposal or refusal in the prior written notice may:

(i) request a conciliation conference under subdivision 7 or another alternative dispute resolution procedure under subdivision 8 or 9; or

(ii) identify the specific part of the proposal or refusal the parent objects to and request a meeting with appropriate members of the individualized education program team.

Sec. 4. Minnesota Statutes 2024, section 125A.091, subdivision 5, is amended to read:

Subd. 5. Initial action; parent consent. (a) A district must make reasonable efforts to obtain written consent from the parent for an initial evaluation to determine whether their child is a child with a disability.

(b) If the initial evaluation determines that the child qualifies as a child with a disability under section 125A.02, the district must make reasonable efforts to obtain the written consent of the child's parent for the initial provision of special education and related services generally.

~~(a)~~ (c) The district must not proceed with the initial evaluation of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child or the initial provision of special education and related services to a child generally, without the prior written consent of the child's parent. The district is not required to obtain the written consent of the child's parent to the particular special education and related services proposed in the initial individualized education program but must provide prior written notice consistent with federal requirements and the additional requirements under subdivision 3a.

(d) Parental consent for the initial evaluation must not be construed as consent for the initial provision of special education and related services generally.

(e) A district may not override the written refusal of a parent to consent to an initial evaluation or reevaluation.

(f) If the parent of a child fails to respond to a request for, or refuses to consent to, the initial provision of special education and related services generally, the district:

(1) may not use mediation or request a due process hearing in order to obtain agreement or a ruling that services may be provided to the child;

(2) will not be considered in violation of the responsibility to make a free appropriate public education available to the child; and

(3) is not required to convene an individualized education program team meeting or develop an initial individualized education program for the child.

~~(b)~~ (g) A parent, after consulting with health care, education, or other professional providers, may agree or disagree to provide the parent's child with sympathomimetic medications unless section 144.344 applies.

Sec. 5. **[125A.092] STATE COMPLAINT PROCESS.**

Subdivision 1. Filing a state complaint. (a) An organization or individual may file a signed, written complaint with the Department of Education, Office of General Counsel, Dispute Resolution.

(b) The complaint must include:

(1) a statement that a public agency, lead agency, or early intervention services provider has violated a requirement of Part B or Part C of the federal Individuals with Disabilities Education Act;

(2) the facts on which the statement is based;

(3) the signature and contact information for the complainant;

(4) if alleging violations with respect to a specific child:

(i) the name and address of the residence of the child;

(ii) the name of the school the child is attending, or the name of the early intervention services provider serving the child; and

(iii) in the case of a homeless child or youth within the meaning of section 725(2) of the McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434(a)(2), the available contact information for the child and the name of the school the child is attending;

(5) a description of the nature of the problem of the child, including facts relating to the problem; and

(6) a proposed resolution of the problem to the extent known and available to the party at the time the complaint is filed.

(c) The complaint must allege a violation that occurred not more than one year prior to the date that the complaint is received.

(d) The party filing the complaint must forward a copy of the complaint to the local educational agency, public agency, or early intervention services provider serving the child at the same time the party files the complaint with the Department of Education.

Subd. 2. Remedies. In resolving a complaint in which the Department of Education has found a failure to provide appropriate services, the Department of Education, pursuant to its general supervisory authority under Part B and Part C of the federal Individuals with Disabilities Education Act, must address:

(1) the failure to provide appropriate services, including corrective action appropriate to address the needs of the child, compensatory services, or monetary reimbursement; and

(2) appropriate future provision of services for all children with disabilities.

Subd. 3. Time limit and procedures. (a) Within 60 days after a complaint is filed, the Department of Education must:

(1) carry out an independent on-site investigation if the Department of Education determines that an investigation is necessary;

(2) give the complainant the opportunity to submit additional information, either orally or in writing, about the allegations in the complaint;

(3) provide the public agency, lead agency, or early intervention services provider with the opportunity to respond to the complaint, including at a minimum:

(i) at the discretion of the Department of Education, a proposal to resolve the complaint; and

(ii) an opportunity for a parent who has filed a complaint and the public agency, lead agency, or early intervention services provider to voluntarily engage in mediation consistent with section 125A.091, subdivision 9;

(4) review all relevant information and make an independent determination as to whether the public agency, lead agency, or early intervention services provider is violating a requirement of Part B or Part C of the federal Individuals with Disabilities Education Act; and

(5) issue a written decision to the complainant that addresses each allegation in the complaint and contains:

(i) findings of fact and conclusions; and

(ii) the reasons for the Department of Education's final decision.

(b) An extension of the time limit is allowed only if:

(1) exceptional circumstances exist with respect to a particular complaint; or

(2) the parent, individual, or organization and the local educational agency, public agency, or early intervention services provider involved agree to extend the time to engage in mediation pursuant to section 125A.091, subdivision 9, or a facilitated team meeting pursuant to section 125A.091, subdivision 11.

Subd. 4. **Complaints and due process hearings.** (a) If a written complaint is received that is also the subject of a due process hearing under section 125A.091, subdivision 12, or that contains multiple issues of which one or more are part of that hearing, the Department of Education must set aside any part of the complaint that is being addressed in the due process hearing until the conclusion of the hearing. However, any issue in the complaint that is not a part of the due process action must be resolved using the time limit and procedures described in paragraphs (c) and (d).

(b) If an issue raised in a complaint filed under this section has previously been decided in a due process hearing involving the same parties:

(1) the due process hearing decision is binding on that issue; and

(2) the Department of Education must inform the complainant to that effect.

(c) If the local educational agency, public agency, or early intervention services provider fails to implement the due process hearing decision, an individual or organization may file a state complaint with the Department of Education alleging the agency or provider's failure to implement the due process hearing decision.

Sec. 6. **DEVELOPMENTAL DELAY AGE LIMIT WORKING GROUP.**

Subdivision 1. **Working group.** The Department of Education must establish a working group on the age limit for children receiving special education services for developmental delay.

Subd. 2. **Members.** (a) The commissioner of education must consult with the organizations identified in paragraph (b) before naming appointed members to the working group.

(b) By July 1, 2025, the commissioner must appoint the following members to the working group:

(1) the commissioner or the commissioner's designee;

(2) two representatives from Minnesota Administrators for Special Education, consisting of one member from the seven-county metropolitan area and one member from outside the metropolitan area;

(3) one representative from the Professional Educator Licensing and Standards Board;

(4) two representatives from the Minnesota Association of Colleges for Teacher Education;

(5) two representatives from Education Minnesota, consisting of one member from the seven-county metropolitan area and one member from outside the metropolitan area;

(6) two representatives from the PACER Center;

(7) two representatives from the Minnesota School Psychologists Association, consisting of one member working in a school setting and one member working in a postsecondary school psychologist preparation program; and

(8) two representatives from the Minnesota School Social Workers Association, consisting of one member working in a school setting and one member working in a postsecondary school social worker preparation program.

Subd. 3. **Duties.** The working group must meet on a regular basis and review current law limiting the eligibility of children seven years old or older from receiving intervention services for developmental delay, and assess the impact of extending eligibility to children under age nine. The working group must report its findings and recommendations to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 1, 2026.

Subd. 4. **Administrative provisions.** (a) The commissioner or commissioner's designee must convene the initial meeting of the working group. Upon request, the commissioner must provide meeting space and administrative support for the group.

(b) Members of the working group serve without compensation or payment of expenses.

(c) The working group expires February 1, 2026, or upon submission of the report to the legislature required under subdivision 3, whichever is earlier.

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

ARTICLE 6**SCHOOL NUTRITION AND FACILITIES**

Section 1. Minnesota Statutes 2024, section 124D.117, subdivision 2, is amended to read:

Subd. 2. **Exemption.** Subdivision 1 does not apply to a school in which fewer than 25 pupils are expected to take part in the program or a school that participates in the free school meals program under section 124D.111. It also does not apply to a district that does not participate in the national school lunch program.

Sec. 2. Minnesota Statutes 2024, section 124D.119, subdivision 5, is amended to read:

Subd. 5. **Summer Food Service Program locations.** Consistent with Code of Federal Regulations, title 7, ~~section 225.6(d)(1)(ii)~~ part 225, the Department of Education must not approve a new Summer Food Service Program open site that is within a half-mile radius of an existing Summer Food Service Program open site. The department may approve a new Summer Food Service Program open site within a half-mile radius only if the new program will not be serving the same group of children for the same meal type or if there are safety issues that could present barriers to participation.

ARTICLE 7**STATE AGENCIES**

Section 1. Minnesota Statutes 2024, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** (a) Educational data designated as directory information is public data on individuals to the extent required under federal law. Directory information must be designated pursuant to the provisions of:

(1) this subdivision; and

(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title 34, section 99.37, which were in effect on January 3, 2012.

(b) When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate specified data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

(c) An educational agency or institution may not designate a student's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

(e) When requested, and in accordance with requirements for parental consent in the Code of Federal Regulations, title 34, section 300.622 (b)(2), and part 99, educational agencies or institutions may share personal student contact information and directory information for students served in special education with postsecondary transition planning and services under section 125A.08, paragraph (b), clause (1), whether public or private, with the Department of Employment and Economic Development, as required for coordination of services to students with disabilities under sections 125A.08, paragraph (b), clause (1); 125A.023; and 125A.027.

Sec. 2. Minnesota Statutes 2024, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules ~~under section 14.389~~ for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

(c) The commissioner may use the expedited rulemaking process under section 14.389 for implementing statewide standards under paragraph (a)."

Delete the title and insert:

"A bill for an act relating to education policy; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition and facilities, and state agencies; requiring a report; amending Minnesota Statutes 2024, sections 10A.071, subdivision 1; 13.03, by adding a subdivision; 13.32, subdivision 5; 120A.22, subdivisions 12, 13; 120A.24, subdivision 4; 120B.021, subdivisions 2, 3; 120B.024; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivision 2; 120B.35, subdivision 3; 120B.363, subdivisions 1, 2; 121A.031, subdivisions 2, 4, 6; 121A.041, subdivisions 2, 3; 121A.22, subdivision 2; 121A.2205; 121A.2207; 121A.224; 121A.23, subdivision 1; 121A.41, subdivision 10; 121A.49; 121A.73; 122A.09, subdivision 9; 122A.092, subdivisions 2, 5; 122A.181, subdivision 3; 122A.182, subdivision 3; 122A.183, subdivision 2; 123B.09, by adding a subdivision; 123B.32, subdivisions 1, 2; 123B.52, by adding a subdivision; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124D.792; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivisions 2, 3, 5, 6, 8; 124E.10, subdivision 4; 124E.13, subdivision 3; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.17; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; Laws 2024, chapter 115, article 2, section 21, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 124D; 125A; repealing Minnesota Statutes 2024, sections 120B.124, subdivision 6; 123B.935, subdivision 2."

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

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

S.F. No. 3137: A bill for an act relating to child care; correcting cross-references in the definition of child care background study subject; amending Minnesota Statutes 2024, section 245C.02, subdivision 6a.

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

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

S.F. No. 2990: A bill for an act relating to health; modifying provisions related to accreditation of environmental laboratories; amending Minnesota Statutes 2024, section 144.98, subdivisions 8, 9.

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

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

S.F. No. 2988: A bill for an act relating to health; modifying a provision governing fees assessed by the commissioner of health; amending Minnesota Statutes 2024, section 144.122.

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

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

S.F. No. 2815: A bill for an act relating to taxation; provider taxes; establishing quarterly pharmacy refunds; amending Minnesota Statutes 2024, section 295.54, subdivision 2.

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

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

S.F. No. 1918: A bill for an act relating to health; modifying consent to electronic monitoring requirements; modifying provisions related to retaliation in nursing homes and assisted living facilities; expanding membership and duties of the home care and assisted living program advisory council; modifying the hospice bill of rights; prohibiting required binding arbitration agreements in assisted living contracts; modifying medication management requirements; modifying authority of health care agents to restrict visitation and communication; amending Minnesota Statutes 2024, sections 144.6502, subdivision 3; 144.6512, subdivision 3, by adding a subdivision; 144A.04, by adding a subdivision; 144A.474, subdivision 11; 144A.4799; 144A.751, subdivision 1; 144G.08, by adding a subdivision; 144G.31, subdivision 8; 144G.51; 144G.71, subdivisions 3, 5; 144G.92, subdivision 2, by adding a subdivision; 145C.07, by adding a subdivision; 145C.10.

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

Page 6, line 32, after "services" insert "preferably"

Page 7, lines 1, 2, and 4, before "within" insert "preferably"

Page 8, line 20, after the period, insert "The commissioner shall act upon the recommendations of the advisory council within one year of the advisory council submitting its recommendations to the commissioner."

Page 9, line 1, delete "ensure sufficient" and insert "recommend"

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

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

S.F. No. 906: A bill for an act relating to housing; appropriating money for the greater Minnesota housing infrastructure program.

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

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

S.F. No. 2298: A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; appropriating money.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year

	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
Sec. 2. <u>HOUSING FINANCE AGENCY</u>		
Subdivision 1. <u>Total Appropriation</u>	\$ <u>96,948,000</u>	\$ <u>82,798,000</u>
<u>(a) The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
<u>(b) Unless otherwise specified, the appropriations for the programs in this section are appropriated and made available for the purposes of the housing development fund. Except as otherwise indicated, the amounts appropriated are part of the agency's permanent budget base.</u>		
<u>(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this total appropriation for administrative costs.</u>		
Subd. 2. <u>Challenge Program</u>	<u>12,925,000</u>	<u>12,925,000</u>
<u>(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33 and 462A.07, subdivision 14.</u>		
<u>(b) Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.</u>		
Subd. 3. <u>Workforce Housing Development</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and</u>		

approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.

<u>Subd. 4. <u>Manufactured Home Park Infrastructure Grants</u></u>	<u>1,000,000</u>	<u>1,000,000</u>
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This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

<u>Subd. 5. <u>Workforce Homeownership Program</u></u>	<u>250,000</u>	<u>250,000</u>
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This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

<u>Subd. 6. <u>Rent Assistance Program</u></u>	<u>23,000,000</u>	<u>23,000,000</u>
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This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095.

<u>Subd. 7. <u>Housing Trust Fund</u></u>	<u>11,646,000</u>	<u>11,646,000</u>
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This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

<u>Subd. 8. <u>Homework Starts with Home</u></u>	<u>2,750,000</u>	<u>2,750,000</u>
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This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

<u>Subd. 9. <u>Rental Assistance for Mentally III</u></u>	<u>5,338,000</u>	<u>5,338,000</u>
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(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in

part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

Subd. 10. Family Homeless Prevention

20,419,000

10,269,000

(a) This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204.

(b) Notwithstanding any law to the contrary, this appropriation may be used for program costs necessary to decrease the risk of homelessness and improve the effectiveness of the program, as determined by the agency.

(c) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

Subd. 11. Home Ownership Assistance Fund

885,000

885,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

Subd. 12. Affordable Rental Investment Fund

4,218,000

4,218,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 13. Owner-Occupied Housing Rehabilitation

2,772,000

2,772,000

(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. Rental Housing Rehabilitation

3,743,000

3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for

rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

<u>Subd. 15. Homeownership Education, Counseling, and Training</u>	<u>857,000</u>	<u>857,000</u>
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This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

<u>Subd. 16. Capacity Building Grants</u>	<u>645,000</u>	<u>645,000</u>
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This appropriation is for capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

<u>Subd. 17. Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
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This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

<u>Subd. 18. Greater Minnesota Housing Infrastructure Grant Program</u>	<u>2,000,000</u>	<u>-0-</u>
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This appropriation is for the greater Minnesota housing infrastructure grant program under Minnesota Statutes, section 462A.395. The base for this appropriation is \$500,000 in fiscal year 2028 and each year thereafter.

<u>Subd. 19. Community-Based First-Generation Homebuyers Down Payment Assistance Program</u>	<u>2,000,000</u>	<u>-0-</u>
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This appropriation is for a grant to Midwest Minnesota Community Development

Corporation (MMCDC), through its wholly owned subsidiary CDC Investments, Inc., for the community-based first-generation homebuyers down payment assistance program under Minnesota Statutes, section 462A.415. At the end of each biennium, MMCDC must remit any unused funds to the Minnesota Housing Finance Agency. Funds remitted to the agency under this subdivision are appropriated to the agency to administer the workforce and affordable homeownership development program under Minnesota Statutes, section 462A.38. The base for this appropriation is \$450,000 in fiscal year 2028 and each year thereafter.

Subd. 20. Availability and Transfer of Funds

Money appropriated in the first year in this article is available the second year. The commissioner may shift or transfer money in the second year in subdivisions 2, 3, 4, 5, 12, 13, and 14 to address high-priority housing needs.

Sec. 3. LEGISLATIVE COORDINATING COMMISSION

\$	<u>200,000</u>	\$	<u>-0-</u>
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\$200,000 in fiscal year 2026 is to provide administrative support to the Task Force on Homeowners and Commercial Property Insurance established in article 2, section 13. This is a onetime appropriation.

Sec. 4. Laws 2023, chapter 37, article 1, section 2, subdivision 29, as amended by Laws 2024, chapter 127, article 14, section 11, is amended to read:

	70,000,000
Subd. 29. Community Stabilization	45,000,000
	<u>60,000,000</u>

(a) This appropriation is for the community stabilization program. This a onetime appropriation.

(b) The first year and second year appropriations are available as follows:

(1) \$10,000,000 is for a grant to AEON for Huntington Place;

(2) notwithstanding Minnesota Statutes, sections 16B.98, subdivisions 5 and 12, and 16B.981, subdivision 2, \$3,250,000 is for a grant to the Wilder Park Association to assist with the cost of a major capital repair project for the rehabilitation of portions of the owner-occupied senior high-rise facility. The grantee must verify that 50 percent of units are occupied by households with incomes at or below 60 percent of area median income;

(3) \$41,750,000 is for multiunit rental housing; and

~~(4) \$10,000,000 is for single-family housing; and~~

~~(5)~~ (4) \$50,000,000 is for recapitalization of distressed buildings. Of this amount, up to \$15,000,000 is for preservation or recapitalization of housing that includes supportive housing.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to one percent of this appropriation for administrative costs for the grants in paragraph (b), clauses (1) and (2). This is a onetime appropriation.

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

Sec. 5. **TRANSFER; HOUSING SUPPORT ACCOUNT.**

The commissioner of management and budget must transfer any unencumbered balance from the housing support account under Minnesota Statutes, section 462A.43, to the general fund by June 15, 2025.

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

Sec. 6. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.287, is repealed.

(b) Minnesota Statutes 2024, section 462A.43, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment.

ARTICLE 2**POLICY**

Section 1. Minnesota Statutes 2024, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the Minnesota Housing Finance Agency for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the \$15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$2,000,000 as of June 30 of each year, the Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park, payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. The agency must also include information in the letter about the tax credit available for sales of manufactured home parks to cooperatives in section 290.0694 and about notice requirements for unsolicited sales in section 327C.097. The agency may include additional information in the letter about programs and resources available to manufactured home park residents and owners. In a font no smaller than 14-point, the notice provided by the Minnesota Housing Finance Agency for distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 2. Minnesota Statutes 2024, section 462A.051, subdivision 2, is amended to read:

Subd. 2. **Application.** This section applies to all forms of financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation and award of federal low-income housing credits by all allocating agencies as defined under section 462A.221, for the development, construction, rehabilitation, renovation, or retrofitting of ~~multiunit residential~~ multifamily housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance.

Sec. 3. Minnesota Statutes 2024, section 462A.07, subdivision 19, is amended to read:

Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

- (1) the total number of applications for funding;
- (2) the amount of funding requested;
- (3) the amounts of funding awarded; and
- (4) the number of housing units that are affected by funding awards, including the number of:
 - (i) newly constructed owner-occupied units;
 - (ii) renovated owner-occupied units;
 - (iii) newly constructed rental units; and
 - (iv) renovated rental units.

(b) This reporting requirement applies to appropriations for competitive development programs made in Laws 2023 and in subsequent laws.

(c) By January 5 each year, the commissioner must report on the financial stability of the affordable housing industry. The report must include:

- (1) the ratio of operating expenses to revenue in affordable rental housing projects; and
- (2) the percent of rents collected on time, divided into four regions of the state:
 - (i) the cities of St. Paul and Minneapolis;
 - (ii) the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, except for the cities of St. Paul and Minneapolis;
 - (iii) urban greater Minnesota, including the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; and
 - (iv) rural greater Minnesota, which includes all of Minnesota except for the places listed in items (i), (ii), and (iii).

Sec. 4. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to read:

Subd. 21. **Affordable housing annual meeting.** At least once each year, the commissioner must convene a meeting with the Interagency Council to End Homelessness and the cities and counties with high levels of cost-burdened households, meaning the cities and counties where gross rent or homeownership costs are 30 percent or more of household income. The purpose of the meeting is to discuss:

- (1) resources received by cities and counties;

(2) regional needs for affordable housing; and

(3) recommendations for the collaborative use of funds to effectively address homelessness, housing insecurity, security of affordable housing, and the lack of housing supply.

Sec. 5. Minnesota Statutes 2024, section 462A.2095, subdivision 3, is amended to read:

Subd. 3. Grants to program administrators. (a) The agency may make grants to program administrators to provide rental assistance for eligible households. Notwithstanding section 16C.06, the commissioner may use a formula to determine award amounts to program administrators. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. Notwithstanding the amounts awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau. The agency may, at its discretion, redistribute unused or underutilized money among eligible program administrators to increase program efficiency and effectiveness.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures. Priority for rental assistance shall be given to households with children 18 years of age and under, and annual incomes of up to 30 percent of the area median income. Program administrators may establish additional priority populations based on local need.

Sec. 6. Minnesota Statutes 2024, section 462A.33, subdivision 2, is amended to read:

Subd. 2. Eligible recipients. Challenge grants or loans may be made to a city_; a federally recognized American Indian Tribe or subdivision located in Minnesota_; a Tribal housing corporation_; a private developer_; a nonprofit organization_; a school district_; a cooperative unit, as defined in section 123A.24, subdivision 2_; a charter school_; a contract alternative school_; a Tribal contract school_; or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given ~~it~~ in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so ~~that~~ an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 7. Minnesota Statutes 2024, section 462A.33, subdivision 9, is amended to read:

Subd. 9. Grant funding to schools. A school district; a cooperative unit, as defined in section 123A.24, subdivision 2; ~~or~~ a charter school; a contract alternative school; or a Tribal contract school may receive funding under this section in the form of a grant less than \$100,000. A school district_; intermediate district_; ~~or~~_; charter school; contract alternative school; or Tribal contract school that uses a grant under this section to construct a home for owner occupancy must require the future occupant to participate in the homeownership education counseling and training program under section 462A.209.

Sec. 8. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this subdivision apply collectively to the taxpayer and spouse.

(e) For purposes of this subdivision, "officer or principal" excludes an individual serving as a volunteer board member of a nonprofit organization governed by chapter 317A.

~~(e)~~ (f) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

~~(f)~~ (g) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to ~~(e)~~ (f) and ~~(g)~~ (h) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

~~(g)~~ (h) Except for projects receiving funding under section 462A.39, eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 9. [462A.415] COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE PROGRAM.

Subdivision 1. **Establishment.** A community-based first-generation homebuyers down payment assistance program is established as a noncompetitive program under the administration of a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994 to provide targeted assistance to eligible homebuyers.

Subd. 2. **Administration.** The community-based first-generation homebuyers down payment assistance program is available statewide and shall be administered by a designated central CDFI. The administering CDFI may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible homebuyers. Administrative costs must not exceed ten percent of the fiscal year appropriation.

Subd. 3. **Eligible homebuyer.** For purposes of this section, "eligible homebuyer" means an adult person:

(1) whose income is at or below 100 percent of the statewide median income at the time of application;

(2) who is preapproved for a first mortgage loan; and

(3)(i) who either never owned a home or who owned a home but lost it due to foreclosure; and

(ii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

The eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 4. Use of funds. Assistance under this section is limited to ten percent of the purchase price of a one unit or two unit home, not to exceed \$32,000. Beginning in fiscal year 2027, the maximum amount of assistance may be increased to up to ten percent of the median home sales price as reported in the previous year's Minnesota Realtors Annual Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a no-interest loan that is forgiven over five years, forgivable at a rate of 20 percent per year on the day after the anniversary date of the note, with the final 20 percent forgiven on the down payment assistance loan maturity date. There is no monthly pro rata or partial-year credit. The loan has no monthly payment and does not accrue interest. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. The administering CDFI may retain recaptured funds for assisting eligible homebuyers as provided in this section. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 5. Report to legislature. By January 15 each year, the administering CDFI must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

- (1) the number and amounts of loans closed;
- (2) the median loan amount;
- (3) the number and amounts of loans issued by race or ethnic categories;
- (4) the median home purchase price;
- (5) the interest rates and types of mortgages;
- (6) the total amount returned to the fund; and
- (7) the number and amounts of loans issued by county.

Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. Community-Based First-Generation Homebuyers Down Payment Assistance	100,000,000	-0-
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This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) to act as the administrator of the community-based first-generation homebuyers down payment assistance program. The funds shall be

available to MMCDC for a three-year period commencing with issuance of the funds to MMCDC. At the expiration of that period, any unused funds shall be remitted to the agency. ~~Any funds recaptured by MMCDC after the expiration of that period shall be remitted to the agency.~~ Funds remitted to the agency under this paragraph are appropriated to the agency for administration of the first-generation homebuyers down payment assistance fund.

Sec. 11. Laws 2023, chapter 37, article 1, section 2, subdivision 21, is amended to read:

Subd. 21. Local Housing Trust Fund Grants	4,800,000	-0-
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(a) This appropriation is for deposit in the housing development fund for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than \$150,000 but not more than \$300,000.

(c) A grantee must use grant funds within ~~eight~~ five years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the housing development fund.

Sec. 12. Laws 2023, chapter 37, article 2, section 10, is amended to read:

Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT AND LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible building" means an existing residential building in which:

(1) ~~at least one story used for human occupancy is~~ the building is seven stories or more in height or 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are affordable to households with an annual income at or below 50 60 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. ~~Grant program~~ **Use of funds.** The commissioner of the Housing Finance Agency must make grants or loans to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Sec. 13. POLICY FRAMEWORK FOR TARGETED STABILIZATION OF REGULATED AFFORDABLE HOUSING.

(a) The commissioner of the Housing Finance Agency must work with affordable housing stakeholders, including the Interagency Stabilization Group, to develop a policy framework for targeted stabilization of affordable rental housing. In developing this framework, the commissioner must identify:

(1) strategies, tools, and funding mechanisms for targeted stabilization of affordable rental housing and recapitalization of distressed properties;

(2) potential improvements for regulatory relief for affordable rental housing providers and must implement these improvements where feasible;

(3) a specific plan for relief when an operator of permanent housing cannot identify and secure adequate service funding that matches the tenants' needs; and

(4) a strategy with the commissioner of human services to integrate the awarding of state service dollars to permanent supportive housing so that state service dollars can accompany capital awards in the consolidated request for proposal process.

(b) The commissioner of the Housing Finance Agency must report quarterly to the Minnesota Housing Finance Agency Board of Directors on the policy framework, improvements implemented, and any potential changes to legislation that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

(c) By January 5, 2026, the commissioner of the Housing Finance Agency must report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing

finance and policy on the policy framework, improvements implemented, and any potential changes to legislation that may be needed to support targeted stabilization of regulated affordable housing and recapitalization of distressed properties.

Sec. 14. **INTERAGENCY STABILIZATION GROUP.**

The commissioner of the Housing Finance Agency may convene regular meetings of public funders and affordable housing stakeholders to seek funding solutions that support the preservation and stabilization of affordable properties.

Sec. 15. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to insurance affordability of single-family housing, multifamily rental housing, common interest communities, cooperatives, and small businesses and for preventing disruptions or loss to the development, preservation, and long-term sustainability of Minnesota's housing infrastructure and small businesses.

Subd. 2. **Membership.** (a) The task force consists of the following:

- (1) one member appointed by the commissioner of commerce;
 - (2) one member appointed by the speaker of the house;
 - (3) one member appointed by the house minority leader;
 - (4) one member appointed by the senate majority leader;
 - (5) one member appointed by the senate minority leader;
 - (6) one member appointed by the Minnesota Consortium of Community Developers;
 - (7) one member appointed by the Insurance Federation of Minnesota;
 - (8) one member appointed by Big I Minnesota;
 - (9) one member appointed by the Minnesota Realtors;
 - (10) one member appointed by the Minnesota Community Development Financial Institutions Coalition;
 - (11) one member appointed by the Minnesota Homeownership Center;
 - (12) one member appointed by the Housing Justice Center; and
 - (13) one member with climate science expertise.
- (b) The appointing authorities must make the appointments by August 15, 2025.

Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and stabilize the homeowners and commercial property insurance industry.

(b) The task force must consult with the commissioner of the Housing Finance Agency, the commissioner of employment and economic development, and key stakeholders in the insurance and housing industries.

(c) The task force must review:

(1) risk mitigation and property resilience to natural hazards, and the effect on insurance costs;

(2) liability laws impacting insurance costs;

(3) minimum notice for coverage changes, including enforcement and oversight;

(4) public reporting of aggregated data relating to insurance plan costs and coverage;

(5) the reinsurance market for homeowners and commercial property insurance;

(6) the current state-supported insurance program and the potential to expand the program to include a catastrophic reinsurance fund and a self-insured pool;

(7) factors that increase claim costs, including but not limited to post-loss contractors, fraudulent claims, climate, inflation, and discontinued building materials; and

(8) other areas that would strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 4. **Administration.** The Legislative Coordinating Commission must provide administrative support to the task force. Upon request of the task force, the commissioners of commerce, the Housing Finance Agency, and employment and economic development must provide technical support and expertise.

Subd. 5. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than September 15, 2025, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct work.

(b) At the first meeting, the task force must elect a chair or cochair from those appointed by the house and senate by a majority vote of those members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and must meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Report required.** (a) The task force must submit a report to the commissioners of commerce, the Housing Finance Agency, and employment and economic development and the chairs and ranking minority members of the legislative committees having jurisdiction over the agencies listed in this paragraph by February 15, 2026.

(b) The report must:

- (1) summarize the activities of the task force;
- (2) provide findings and recommendations adopted by the task force;
- (3) include any draft legislation required to implement recommendations; and
- (4) include other information the task force believes is necessary to report.

Subd. 7. **Expiration.** The task force expires upon submission of the report required under subdivision 6.

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

Delete the title and insert:

"A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; transferring money; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43."

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

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

S.F. No. 2902: A bill for an act relating to state-operated services; extending cost of care exemption for certain committed persons and 48-hour rule for admissions; establishing the Priority Admission Review Panel; requiring creation of a Direct Care and Treatment admissions dashboard and a limited exemption for admissions from hospital settings; requiring a report; amending Minnesota Statutes 2024, sections 246.54, subdivisions 1a, 1b; 253B.10, subdivision 1.

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

Page 6, after line 10, insert

"(d) The Priority Admissions Review Panel expires December 31, 2030."

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

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

S.F. No. 1667: A bill for an act relating to education; establishing a developmental delay age limit working group; requiring a report.

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

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

S.F. No. 3097: A bill for an act relating to elections; modifying certain special election timing; amending Minnesota Statutes 2024, section 375.20.

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

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

S.F. No. 2443: A bill for an act relating to human services; modifying provisions relating to aging and disability services, behavioral health, Direct Care and Treatment, health care administration, the Office of the Inspector General, licensing and disqualification, and department operations; establishing human services programs criminal penalties; establishing the intermediate school district behavioral health grant program; correcting cross-references and making conforming and technical changes; amending Minnesota Statutes 2024, sections 13.46, subdivisions 3, 4; 15.471, subdivision 6; 16A.103, subdivision 1j; 62J.495, subdivision 2; 62M.17, subdivision 2; 97A.441, subdivision 3; 142B.10, subdivision 14; 142B.30, subdivision 1; 142B.51, subdivision 2; 142B.65, subdivision 8; 142B.66, subdivision 3; 142B.70, subdivision 7; 142C.06, by adding a subdivision; 142C.11, subdivision 8; 142C.12, subdivision 1; 142E.51, subdivisions 5, 6; 144.53; 144.651, subdivisions 2, 4, 20, 31, 32; 144A.07; 146A.08, subdivision 4; 147.091, subdivision 6; 147A.13, subdivision 6; 148.10, subdivision 1; 148.261, subdivision 5; 148.754; 148B.5905; 148F.09, subdivision 6; 150A.08, subdivision 6; 151.071, subdivision 10; 153.21, subdivision 2; 153B.70; 168.012, subdivision 1; 244.052, subdivision 4; 245.4871, subdivision 4, by adding a subdivision; 245.4881, subdivision 3; 245.50, subdivision 2; 245.91, subdivision 2; 245A.04, subdivisions 1, 7; 245A.16, subdivision 1; 245A.18, 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; 246.585; 246C.06, subdivision 11; 246C.12, subdivision 6; 246C.20; 252.291, subdivision 3; 252.43; 252.46, subdivision 1a; 252.50, subdivision 5; 253B.09, subdivision 3a; 253B.10, subdivision 1; 256.01, subdivisions 2, 5; 256.019, subdivision 1; 256.0281; 256.0451, subdivisions 1, 3, 6, 8, 9, 18, 22, 23, 24; 256.4825; 256.93, subdivision 1; 256.98, subdivisions 1, 7; 256B.0625, subdivision 25c; 256B.092, subdivisions 1a, 10, 11a; 256B.12; 256B.49, subdivisions 13, 29; 256G.09, subdivisions 4, 5; 299F.77, subdivision 2; 342.04; 352.91, subdivision 3f; 401.17, subdivision 1; 480.40, subdivision 1; 507.071, subdivision 1; 611.57, subdivisions 2, 4; 624.7131, subdivisions 1, 2; 624.7132, subdivisions 1, 2; 624.714, subdivisions 3, 4; 631.40, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 245; 246C; 609; repealing Minnesota Statutes 2024, sections 245.4862; 245A.11, subdivision 8; 246.015, subdivision 3; 246.50, subdivision 2; 246B.04, subdivision 1a; Laws 2024, chapter 79, article 1, sections 15; 16; 17.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGING AND DISABILITY SERVICES POLICY

Section 1. Minnesota Statutes 2024, section 245D.10, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited condition of service provision.** A license holder is prohibited from requiring a person to have or obtain a guardian or conservator as a condition of receiving or continuing to receive services regulated under this chapter.

Sec. 2. Minnesota Statutes 2024, section 252.28, subdivision 2, is amended to read:

Subd. 2. **Rules; program standards; licenses.** The commissioner of human services shall:

(1) Establish uniform rules and program standards for each type of residential and day facility or service for persons with developmental disabilities, including state hospitals under control of the executive board and serving persons with developmental disabilities, and excluding persons with developmental disabilities residing with their families.

(2) Grant licenses according to the provisions of ~~Laws 1976, chapter 243, sections 2 to 13~~ chapter 245A.

Sec. 3. Minnesota Statutes 2024, section 252.41, subdivision 3, is amended to read:

Subd. 3. **Day services for adults with disabilities.** (a) "Day services for adults with disabilities" or "day services" means services that:

(1) include supervision, training, assistance, support, facility-based work-related activities, or other community-integrated activities designed and implemented in accordance with the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (b) and (c), subdivisions 4b and 4c,~~ and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12, to help an adult reach and maintain the highest possible level of independence, productivity, and integration into the community;

(2) include day support services, prevocational services, ~~day training and habilitation services,~~ structured day services, and adult day services as defined in Minnesota's federally approved disability waiver plans; ~~and~~

(3) include day training and habilitation services; and

(4) are provided by a vendor licensed under sections 245A.01 to 245A.16, 245D.27 to 245D.31, 252.28, subdivision 2, or 252.41 to 252.46, or Minnesota Rules, parts 9525.1200 to 9525.1330, to provide day services.

(b) Day services reimbursable under this section do not include special education and related services as defined in the Education of the Individuals with Disabilities Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17), or vocational services funded under section 110 of the Rehabilitation Act of 1973, United States Code, title 29, section 720, as amended.

(c) Day services do not include employment exploration, employment development, or employment support services as defined in the home and community-based services waivers for people with disabilities authorized under sections 256B.092 and 256B.49.

Sec. 4. Minnesota Statutes 2024, section 252.42, is amended to read:

252.42 SERVICE PRINCIPLES.

The design and delivery of services eligible for reimbursement should reflect the following principles:

(1) services must suit a person's chronological age and be provided in the least restrictive environment possible, consistent with the needs identified in the person's support plan and support plan addendum required under sections 245D.02, subdivisions 4b and 4c, and 256B.092, subdivision 1b, and 245D.02, subdivision 4, paragraphs (b) and (c), and Minnesota Rules, part 9525.0004, subpart 12;

(2) a person with a disability whose individual support plans and support plan addendums authorize employment or employment-related activities shall be given the opportunity to participate in employment and employment-related activities in which nondisabled persons participate;

(3) a person with a disability participating in work shall be paid wages commensurate with the rate for comparable work and productivity except as regional centers are governed by section 246.151;

(4) a person with a disability shall receive services which include services offered in settings used by the general public and designed to increase the person's active participation in ordinary community activities;

(5) a person with a disability shall participate in the patterns, conditions, and rhythms of everyday living and working that are consistent with the norms of the mainstream of society.

Sec. 5. Minnesota Statutes 2024, section 252.43, is amended to read:

252.43 COMMISSIONER'S DUTIES.

(a) The commissioner shall supervise lead agencies' provision of day services to adults with disabilities. The commissioner shall:

(1) determine the need for day ~~programs~~ services, except for adult day services, under sections 256B.4914 and 252.41 to 252.46 operated in a day services facility licensed under sections 245D.27 to 245D.31;

~~(2) establish payment rates as provided under section 256B.4914;~~

~~(3)~~ (2) adopt rules for the administration and provision of day services under sections 245A.01 to 245A.16; 252.28, subdivision 2; or 252.41 to 252.46; or Minnesota Rules, parts 9525.1200 to 9525.1330;

~~(4)~~ (3) enter into interagency agreements necessary to ensure effective coordination and provision of day services;

~~(5)~~ (4) monitor and evaluate the costs and effectiveness of day services; and

~~(6)~~ (5) provide information and technical help to lead agencies and vendors in their administration and provision of day services.

(b) A determination of need in paragraph (a), clause (1), shall not be required for a change in day service provider name or ownership.

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

Sec. 6. Minnesota Statutes 2024, section 252.44, is amended to read:

252.44 LEAD AGENCY BOARD RESPONSIBILITIES.

When the need for day services in a county or tribe has been determined under section ~~252.28~~ 252.43, the board of commissioners for that lead agency shall:

(1) authorize the delivery of day services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections ~~256B.0913, subdivision 8; 256B.092, subdivision 1b; and 256B.49, subdivision 15;~~ and 256B.49, subdivision 15; and ~~256S.10~~ and Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; and

(3) monitor and evaluate the cost and effectiveness of the services.

Sec. 7. Minnesota Statutes 2024, section 252.45, is amended to read:

252.45 VENDOR'S DUTIES.

A day service vendor enrolled with the commissioner is responsible for items under clauses (1), (2), and (3), and extends only to the provision of services that are reimbursable under state and federal law. A vendor providing day services shall:

(1) provide the amount and type of services authorized in the individual service plan under the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (b) and (c)~~ subdivisions 4b and 4c, and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12;

(2) design the services to achieve the outcomes assigned to the vendor in the support plan and support plan addendum required under sections 245D.02, ~~subdivision 4, paragraphs (a) and (b)~~

subdivisions 4b and 4c, and 256B.092, subdivision 1b, and Minnesota Rules, part 9525.0004, subpart 12;

(3) provide or arrange for transportation of persons receiving services to and from service sites;

(4) enter into agreements with community-based intermediate care facilities for persons with developmental disabilities to ensure compliance with applicable federal regulations; and

(5) comply with state and federal law.

Sec. 8. Minnesota Statutes 2024, section 252.46, subdivision 1a, is amended to read:

Subd. 1a. **Day training and habilitation rates.** The commissioner shall establish ~~a statewide rate setting methodology rates~~ for all day training and habilitation services ~~as provided under section 256B.4914. The rate setting methodology must abide by the principles of transparency and equitability across the state. The methodology must involve a uniform process of structuring rates for each service and must promote quality and participant choice and for transportation delivered as a part of day training and habilitation services. The commissioner shall consult with impacted groups prior to making modifications to rates under this section.~~

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

Sec. 9. Minnesota Statutes 2024, section 256B.0911, subdivision 24, is amended to read:

Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the requirements of this subdivision. Remote reassessments conducted by interactive video or telephone may substitute for in-person reassessments.

(b) For services provided by the developmental disabilities waiver under section 256B.092, and the community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49, remote reassessments may be substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

(c) For services provided by alternative care under section 256B.0913, essential community supports under section 256B.0922, and the elderly waiver under chapter 256S, remote reassessments may be substituted for one reassessment if followed by an in-person reassessment.

(d) For personal care assistance provided under section 256B.0659 and community first services and supports provided under section 256B.85, remote reassessments may be substituted for two consecutive reassessments if followed by an in-person reassessment.

(e) A remote reassessment is permitted only if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent for a remote assessment. Lead agencies must document that informed choice was offered.

(f) The person being reassessed, or the person's legal representative, may refuse a remote reassessment at any time.

(g) During a remote reassessment, if the certified assessor determines an in-person reassessment is necessary in order to complete the assessment, the lead agency shall schedule an in-person reassessment.

(h) All other requirements of an in-person reassessment apply to a remote reassessment, including updates to a person's support plan.

Sec. 10. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision to read:

Subd. 24a. **Verbal attestation to replace required reassessment signatures.** Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner shall allow for verbal attestation to replace required reassessment signatures.

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

Sec. 11. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision to read:

Subd. 25a. **Attesting to no changes in needs or services.** (a) A person who is 22 to 64 years of age and receiving home and community-based waiver services under the developmental disabilities waiver program under section 256B.092; community access for disability inclusion, community alternative care, and brain injury waiver programs under section 256B.49; and community first services and supports under section 256B.85 may attest that they have unchanged needs from the most recent prior assessment or reassessment for up to two consecutive reassessments, if the lead agency provides informed choice and the person being reassessed or the person's legal representative provides informed consent. Lead agencies must document that informed choice was offered.

(b) The person or person's legal representative must attest, verbally or through alternative communications, that the information provided in the previous assessment or reassessment is still accurate and applicable and that no changes in their circumstances have occurred that would require changes from the most recent prior assessment or reassessment. The person or the person's legal representative may request a full reassessment at any time.

(c) The assessor must review the most recent prior assessment or reassessment as required in subdivision 22, paragraphs (a) and (b), clause (1), before conducting the interview. The certified assessor must confirm that the information from the previous assessment or reassessment is current.

(d) The assessment conducted under this section must:

(1) verify current assessed support needs;

(2) confirm continued need for the currently assessed level of care;

(3) inform the person of alternative long-term services and supports available;

(4) provide informed choice of institutional or home and community-based services; and

(5) identify changes in need that may require a full reassessment.

(e) The assessor must ensure that any new assessment items or requirements mandated by federal or state authority are addressed and the person must provide required information.

Sec. 12. Minnesota Statutes 2024, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

(b) Case management service activities provided to or arranged for a person include:

- (1) development of the person-centered support plan under subdivision 1b;
- (2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options, including all service options available under the waiver plan;
- (3) consulting with relevant medical experts or service providers;
- (4) assisting the person in the identification of potential providers of chosen services, including:
 - (i) providers of services provided in a non-disability-specific setting;
 - (ii) employment service providers;
 - (iii) providers of services provided in settings that are not controlled by a provider; and
 - (iv) providers of financial management services;
- (5) assisting the person to access services and assisting in appeals under section 256.045;
- (6) coordination of services, if coordination is not provided by another service provider;
- (7) evaluation and monitoring of the services identified in the support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and
- (8) reviewing support plans and providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan.

(c) Case management service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. If a county agency contracts for case management services, the county agency must provide each recipient of home and community-based services who is receiving contracted case management services with the contact information the recipient may use to file a grievance with the county agency about the quality of the contracted services the recipient is receiving from a county-contracted case manager. If a county agency provides case management under contracts with other individuals or agencies and the county agency utilizes a competitive proposal process for the procurement of contracted case management services, the competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the population of the county. For the purposes of this section, "culturally responsive program" means a case management services program that: (1) ensures effective, equitable, comprehensive,

and respectful quality care services that are responsive to individuals within a specific population's values, beliefs, practices, health literacy, preferred language, and other communication needs; and (2) is designed to address the unique needs of individuals who share a common language or racial, ethnic, or social background.

(d) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(e) Case managers are responsible for service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the person-centered support plan and habilitation plan.

(f) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(g) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, informed decision making, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. Case managers must annually complete an informed choice curriculum and pass a competency evaluation, in a form determined by the commissioner, on informed decision-making standards. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers must document completion of training in a system identified by the commissioner.

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

Sec. 13. Minnesota Statutes 2024, section 256B.092, subdivision 11a, is amended to read:

Subd. 11a. **Residential support services criteria.** (a) For the purposes of this subdivision, "residential support services" means the following residential support services reimbursed under section 256B.4914: community residential services, customized living services, and 24-hour customized living services.

(b) In order to increase independent living options for people with disabilities and in accordance with section 256B.4905, subdivisions ~~3 and 4~~ 7 and 8, and consistent with section 245A.03, subdivision 7, the commissioner must establish and implement criteria to access residential support services. The criteria for accessing residential support services must prohibit the commissioner from authorizing residential support services unless at least all of the following conditions are met:

(1) the individual has complex behavioral health or complex medical needs; and

(2) the individual's service planning team has considered all other available residential service options and determined that those options are inappropriate to meet the individual's support needs.

(c) Nothing in this subdivision shall be construed as permitting the commissioner to establish criteria prohibiting the authorization of residential support services for individuals described in the statewide priorities established in subdivision 12, the transition populations in subdivision 13, and the licensing moratorium exception criteria under section 245A.03, subdivision 7, paragraph (a).

(d) Individuals with active service agreements for residential support services on the date that the criteria for accessing residential support services become effective are exempt from the requirements of this subdivision, and the exemption from the criteria for accessing residential support services continues to apply for renewals of those service agreements.

EFFECTIVE DATE. This section is effective 90 days following federal approval of Laws 2021, First Special Session chapter 7, article 13, section 18.

Sec. 14. Minnesota Statutes 2024, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written support plan within the timelines established by the commissioner and section 256B.0911, subdivision 29;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

(iii) employment service providers;

(iv) providers of services provided in settings that are not community residential settings; and

(v) providers of financial management services;

(4) assisting the recipient to access services and assisting with appeals under section 256.045; and

(5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

(1) finalizing the person-centered support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered support plan; and

(3) adjustments to the person-centered support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. If a county agency provides case management under contracts with other individuals or agencies and the county agency utilizes a competitive proposal process for the procurement of contracted case management services, the competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the population of the county. For the purposes of this section, "culturally responsive program" means a case management services program that: (1) ensures effective, equitable, comprehensive, and respectful quality care services that are responsive to individuals within a specific population's values, beliefs, practices, health literacy, preferred language, and other communication needs; and (2) is designed to address the unique needs of individuals who share a common language or racial, ethnic, or social background.

(d) Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(e) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

(1) phasing out the use of prohibited procedures;

(2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and

(3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(f) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, informed decision making, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. Case managers must annually complete an informed choice curriculum and pass a competency evaluation, in a form determined by the commissioner, on informed decision-making standards. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers shall document completion of training in a system identified by the commissioner.

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

Sec. 15. Minnesota Statutes 2024, section 256B.49, subdivision 29, is amended to read:

Subd. 29. **Residential support services criteria.** (a) For the purposes of this subdivision, "residential support services" means the following residential support services reimbursed under section 256B.4914: community residential services, customized living services, and 24-hour customized living services.

(b) In order to increase independent living options for people with disabilities and in accordance with section 256B.4905, subdivisions ~~3 and 4~~ 7 and 8, and consistent with section 245A.03, subdivision 7, the commissioner must establish and implement criteria to access residential support services. The criteria for accessing residential support services must prohibit the commissioner from authorizing residential support services unless at least all of the following conditions are met:

(1) the individual has complex behavioral health or complex medical needs; and

(2) the individual's service planning team has considered all other available residential service options and determined that those options are inappropriate to meet the individual's support needs.

(c) Nothing in this subdivision shall be construed as permitting the commissioner to establish criteria prohibiting the authorization of residential support services for individuals described in the statewide priorities established in subdivision ~~12~~ 11a, the transition populations in subdivision ~~13~~ 24, and the licensing moratorium exception criteria under section 245A.03, subdivision 7, paragraph (a).

(d) Individuals with active service agreements for residential support services on the date that the criteria for accessing residential support services become effective are exempt from the requirements of this subdivision, and the exemption from the criteria for accessing residential support services continues to apply for renewals of those service agreements.

EFFECTIVE DATE. This section is effective 90 days following federal approval of Laws 2021, First Special Session chapter 7, article 13, section 30.

Sec. 16. Minnesota Statutes 2024, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) Beginning January 1, 2029, the commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

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

Sec. 17. Minnesota Statutes 2024, section 256B.4914, subdivision 10d, is amended to read:

Subd. 10d. **Direct care staff; compensation.** (a) A provider paid with rates determined under subdivision 6 must use a minimum of 66 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(b) A provider paid with rates determined under subdivision 7 must use a minimum of 45 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(c) A provider paid with rates determined under subdivision 8 or 9 must use a minimum of 60 percent of the revenue generated by rates determined under those subdivisions for direct care staff compensation.

(d) Compensation under this subdivision includes:

- (1) wages;
- (2) taxes and workers' compensation;
- (3) health insurance;
- (4) dental insurance;
- (5) vision insurance;
- (6) life insurance;
- (7) short-term disability insurance;
- (8) long-term disability insurance;
- (9) retirement spending;
- (10) tuition reimbursement;
- (11) wellness programs;

(12) paid vacation time;

(13) paid sick time; or

(14) other items of monetary value provided to direct care staff.

(e) This subdivision does not apply to a provider licensed as an assisted living facility by the commissioner of health under chapter 144G.

(f) This subdivision is effective January 1, 2029, and applies to services provided on or after that date.

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

Sec. 18. Minnesota Statutes 2024, section 256B.4914, subdivision 17, is amended to read:

Subd. 17. **Stakeholder consultation and county training.** (a) The commissioner shall continue consultation at regular intervals with the existing stakeholder group established as part of the rate-setting methodology process and others, to gather input, concerns, and data, to assist in the implementation of the rate payment system, and to make pertinent information available to the public through the department's website.

(b) The commissioner shall offer training at least annually for county personnel responsible for administering the rate-setting framework in a manner consistent with this section.

(c) The commissioner shall maintain an online instruction manual explaining the rate-setting framework. The manual shall be consistent with this section, and shall be accessible to all stakeholders including recipients, representatives of recipients, county or Tribal agencies, and license holders.

(d) The commissioner shall not defer to the county or Tribal agency on matters of technical application of the rate-setting framework, and a county or Tribal agency shall not set rates in a manner that conflicts with this section.

(e) The commissioner must consult with existing stakeholder groups as required under this subdivision to periodically review, update, and revise the format by which initiators of rate exception requests and lead agencies collect and submit information about individuals with exceptional needs under subdivision 14.

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

Sec. 19. Minnesota Statutes 2024, section 256R.38, is amended to read:

256R.38 PERFORMANCE-BASED INCENTIVE PAYMENTS.

The commissioner shall develop additional incentive-based payments of up to five percent above a facility's operating payment rate for achieving outcomes specified in a contract. The commissioner may solicit proposals and select those which, on a competitive basis, best meet the state's policy objectives. The commissioner shall limit the amount of any incentive payment and the number of contract amendments under this section to operate the incentive payments within funds appropriated for this purpose. The commissioner shall approve proposals through a memorandum of understanding

which shall specify various levels of payment for various levels of performance. Incentive payments to facilities under this section shall be in the form of time-limited rate adjustments which shall be included in the external fixed costs payment rate under section 256R.25. In establishing the specified outcomes and related criteria, the commissioner shall consider the following state policy objectives:

- (1) successful diversion or discharge of residents to the residents' prior home or other community-based alternatives;
- (2) adoption of new technology to improve quality or efficiency;
- (3) improved quality as measured in the Minnesota Nursing Home Report Card;
- (4) reduced acute care costs; and
- (5) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

Sec. 20. Minnesota Statutes 2024, section 256R.40, subdivision 5, is amended to read:

Subd. 5. Planned closure rate adjustment. (a) The commissioner shall calculate the amount of the planned closure rate adjustment available under subdivision 6 according to clauses (1) to (4):

- (1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;
- (2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;
- (3) capacity days are determined by multiplying the number determined under clause (2) by 365; and
- (4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3).

(b) A planned closure rate adjustment under this section is effective on the first day of the month of January or July, whichever occurs immediately following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's external fixed costs payment rate.

(c) Upon the request of a closing facility, the commissioner must allow the facility a closure rate adjustment as provided under section 144A.161, subdivision 10.

(d) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment is computed according to paragraph (a).

(e) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the commissioner shall recalculate planned closure rate adjustments for facilities that delicense beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar amount. The recalculated planned closure rate adjustment is effective from the date the per bed dollar amount is increased.

Sec. 21. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

Sec. 73. **WAIVER REIMAGINE PHASE II.**

(a) After receiving federal approval, the commissioner of human services must implement a two-home and community-based services waiver program structure, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(b) The commissioner of human services must implement an individualized budget methodology, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(c) The commissioner of human services may seek all federal authority necessary to implement this section after receiving legislative approval of the final draft waiver plan.

(d) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, within available resources and subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

Sec. 22. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 1, as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 1, is amended to read:

Subdivision 1. **Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments ~~to the streamlined service menu from waiver reimagine phase I~~ and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.

Sec. 23. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 2, as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 2, is amended to read:

Subd. 2. **Public stakeholder engagement.** The commissioner must offer a public method to regularly receive input and concerns from people with disabilities and their families about waiver reimagine phase II. The commissioner assistant commissioner of aging and disability services shall personally provide quarterly public updates on policy development and on how recent stakeholder

input is being incorporated into the current development and implementation of waiver reimagine phase II.

Sec. 24. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 3, as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 3, is amended to read:

Subd. 3. **Waiver Reimagine Advisory Committee.** (a) The commissioner must convene, at regular intervals throughout the development and implementation of waiver reimagine phase II, a Waiver Reimagine Advisory Committee that consists of a group of diverse, representative stakeholders. The commissioner must solicit and endeavor to include racially, ethnically, and geographically diverse membership from each of the following groups:

- (1) people with disabilities who use waiver services;
- (2) family members of people who use waiver services;
- (3) disability and behavioral health advocates;
- (4) lead agency representatives; and
- (5) waiver service providers.

(b) The commissioner must ensure that the membership of the Waiver Reimagine Advisory Committee includes:

(1) two individuals presently receiving waiver benefits who are under the age of 65, at least one of whom must be assessed to receive ten or more hours of waiver services per day;

(2) one county employee who conducts long-term care consultation services assessments for persons under the age of 65;

(3) one representative of the Department of Human Services with knowledge of the requirements for a provider to participate in waiver service programs and of the administration of benefits;

(4) one employee of the Minnesota Council on Disability;

(5) two family members of individuals under the age of 18 who are receiving waived services;

(6) two family members of individuals aged 18 or older and under age 65 who are receiving waived services;

(7) two providers of waived services for persons who are under the age of 65;

(8) one member of the Council on Developmental Disabilities;

(9) one employee from the Office of Ombudsman for Mental Health and Developmental Disabilities;

(10) one employee from the Olmstead Implementation Office; and

(11) one member from the Home Care Association.

~~(b)~~ (c) The assistant commissioner of aging and disability services must attend and actively participate in meetings of the Waiver Reimagine Advisory Committee. The assistant commissioner may not delegate attendance or active participation.

~~(e)~~ (d) The Waiver Reimagine Advisory Committee must have the opportunity to collaborate in a meaningful way in developing and providing feedback on proposed plans for waiver reimagine components, including an individual budget methodology, criteria and a process for individualized budget exemptions, the consolidation of the four current home and community-based waiver service programs into two-waiver programs, the role of assessments and the MnCHOICES 2.0 assessment tool in determining service needs and individual budgets, and other aspects of waiver reimagine phase II.

~~(d)~~ (e) The Waiver Reimagine Advisory Committee must have an opportunity to assist in the development of and provide feedback on proposed adjustments and modifications to the streamlined menu of services and the existing rate exception criteria and process.

Sec. 25. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

Subd. 4. **Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and no later than December 15, 2026, in collaboration with the Waiver Reimagine Advisory Committee, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II, as well as the actual Waiver Reimagine waiver plan intended to be submitted for federal approval. The report must also include any plans to a clear explanation of how the proposed waiver plan submitted with the report will adjust or modify the streamlined menu of services; the existing rate or budget exemption criteria or process; the; will establish proposed individual budget ranges; budgets based on the assessed needs of the individual, not location of services; will supply the additional resources required for the individual to live in the least restrictive environment; and the role of will utilize the MnCHOICES 2.0 assessment tool in determining to determine service needs and individual budget ranges budgets.

Sec. 26. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 5, as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

Subd. 5. **Transition process.** (a) Prior to implementation of wavier reimagine phase II, the commissioner must establish a process to assist people who use waiver services and lead agencies to transition to a two-waiver system with an individual budget methodology.

(b) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice, including ensuring that the assessment tool used to set individual budgets covers necessary services and resources to live in the least restrictive environment. The commissioner must ensure, subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions. The commissioner must ensure that individual budgets are set based on the assessed needs of the individual, and include additional resources required for the individual to live in the least restrictive environment. The commissioner must ensure that individual budgets are not tied merely to the location of service.

Sec. 27. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 6, is amended to read:

Subd. 6. **Online support planning tool.** The commissioner must develop an online support planning and tracking tool for people using disability waiver services that allows access to the total budget available to the person, the services for which they are eligible, and the services they have chosen and used. The commissioner must explore operability options that would facilitate real-time tracking of a person's remaining available budget throughout the service year. The online support planning tool must provide information in an accessible format to support the person's informed choice. The commissioner must seek input from people with disabilities and the Waiver Reimagine Advisory Committee about the online support planning tool prior to its implementation.

Sec. 28. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 7, as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 7, is amended to read:

Subd. 7. **Curriculum and training.** The commissioner, in consultation with the Waiver Reimagine Advisory Committee, must develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision making for people who used home and community-based disability waivers. Training and competency evaluations must be completed annually by all staff responsible for case management as described in Minnesota Statutes, sections 256B.092, subdivision 1a, paragraph (f), and 256B.49, subdivision 13, paragraph (e).

Sec. 29. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INPUT ON WAIVER REIMAGINE PLAN.**

(a) Notwithstanding Laws 2021, First Special Session chapter 7, article 13, section 73, as amended in this act, and Laws 2021, First Special Session chapter 7, article 13, section 75, as amended by Laws 2024, chapter 108, article 1, section 28 and this act, prior to seeking federal approval for a Waiver Reimagine plan or implementation of the same, the commissioner of human services must first submit the Waiver Reimagine plan to the Waiver Reimagine Advisory Committee, to the legislature, and to all waiver service recipients in a specific communication directly to the recipients in a format the recipient can retrieve, allowing at least six months for review and input and for the commissioner to make any changes to the plan as a result of the input.

(b) The commissioner of human services shall not submit the Waiver Reimagine plan for federal approval without first receiving approval from the legislature.

Sec. 30. **IMPLEMENTATION OF WAIVER REIMAGINE DEVELOPMENT CHANGES.**

The commissioner of human services must use existing resources to implement the changes to the process of developing the Waiver Reimagine waiver plan contained in this article.

Sec. 31. **IMPLEMENTATION OF ASSESSMENT POLICY CHANGES.**

The commissioner of human services must use existing resources to implement the policy modifications specified in the amendments to Minnesota Statutes, section 256B.0911, subdivisions 24, 24a, and 25a, contained in this article.

ARTICLE 2**DEPARTMENT OF HEALTH POLICY**

Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the case mix reimbursement classifications determined by an assessment.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Activities of daily living" or "ADL" includes personal hygiene, dressing, bathing, transferring, bed mobility, locomotion, eating, and toileting.

(g) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement classification system for residents in nursing facilities according to the resident's condition, the resident's diagnosis, and the care the resident is receiving as reflected in data supplied in the facility's MDS with an ARD on or after October 1, 2025.

~~(g)~~ (h) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

- (1) nursing facility services under chapter 256R;
- (2) elderly waiver services under chapter 256S;
- (3) CADI and BI waiver services under section 256B.49; and
- (4) state payment of alternative care services under section 256B.0913.

(i) "Resource utilization group" or "RUG" means the case mix reimbursement classification system for residents in nursing facilities according to the resident's clinical and functional status as reflected in data supplied by the facility's MDS with an ARD on or before September 30, 2025.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 2. Minnesota Statutes 2024, section 144.0724, subdivision 3a, is amended to read:

Subd. 3a. **Resident case mix reimbursement classifications.** (a) Resident case mix reimbursement classifications shall be based on the Minimum Data Set, version 3.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. Case mix reimbursement classifications shall also be based on assessments required under subdivision 4. Assessments must be completed according to the Long Term Care Facility Resident Assessment Instrument User's Manual Version 3.0 or a successor manual issued by the Centers for Medicare and Medicaid Services. ~~The optional state assessment must be completed according to the OSA Manual Version 1.0 v.2.~~

(b) Each resident must be classified based on the information from the Minimum Data Set according to the general categories issued by the Minnesota Department of Health, utilized for reimbursement purposes.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 3. Minnesota Statutes 2024, section 144.0724, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically submit to the federal database MDS assessments that conform with the assessment schedule defined by the Long Term Care Facility Resident Assessment Instrument User's Manual, version 3.0, or its successor issued by the Centers for Medicare and Medicaid Services. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments required ~~under the Omnibus Budget Reconciliation Act of 1987 (OBRA)~~ used to determine a case mix reimbursement classification include:

(1) a new admission comprehensive assessment, which must have an assessment reference date (ARD) within 14 calendar days after admission, excluding readmissions;

(2) an annual comprehensive assessment, which must have an ARD within 92 days of a previous quarterly review assessment or a previous comprehensive assessment, which must occur at least once every 366 days;

(3) a significant change in status comprehensive assessment, which must have an ARD within 14 days after the facility determines, or should have determined, that there has been a significant change in the resident's physical or mental condition, whether an improvement or a decline, and

regardless of the amount of time since the last comprehensive assessment or quarterly review assessment;

(4) a significant change in status comprehensive assessment when isolation for an infectious disease has ended. If isolation was not coded on the most recent assessment completed, then the significant change in status comprehensive assessment under this clause is not required. The ARD for assessments under this clause must be set on day 15 after isolation has ended;

(5) a quarterly review assessment must have an ARD within 92 days of the ARD of the previous quarterly review assessment or a previous comprehensive assessment;

~~(5)~~ (6) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for reimbursement classification;

~~(6)~~ (7) any significant correction to a prior quarterly review assessment, if the assessment being corrected is the current one being used for reimbursement classification; and

(7) (8) any modifications to the most recent assessments under clauses (1) to ~~(6)~~ (7).

~~(e) The optional state assessment must accompany all OBRA assessments. The optional state assessment is also required to determine reimbursement when:~~

~~(1) all speech, occupational, and physical therapies have ended. If the most recent optional state assessment completed does not result in a rehabilitation case mix reimbursement classification, then the optional state assessment is not required. The ARD of this assessment must be set on day eight after all therapy services have ended; and~~

~~(2) isolation for an infectious disease has ended. If isolation was not coded on the most recent optional state assessment completed, then the optional state assessment is not required. The ARD of this assessment must be set on day 15 after isolation has ended.~~

~~(d)~~ (c) In addition to the assessments listed in ~~paragraphs~~ paragraph (b) and ~~(e)~~, the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256.975, subdivisions 7a to 7c, by the Senior LinkAge Line or other organization under contract with the Minnesota Board on Aging; and

(2) a nursing facility level of care determination as provided for under section 256B.0911, subdivision 26, as part of a face-to-face long-term care consultation assessment completed under section 256B.0911, by a county, tribe, or managed care organization under contract with the Department of Human Services.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 4. Minnesota Statutes 2024, section 144.0724, subdivision 8, is amended to read:

Subd. 8. **Request for reconsideration of resident classifications.** (a) The resident, the resident's representative, the nursing facility, or the boarding care home may request that the commissioner of health reconsider the assigned case mix reimbursement classification and any item or items

changed during the audit process. The request for reconsideration must be submitted in writing to the commissioner of health.

(b) For reconsideration requests initiated by the resident or the resident's representative:

(1) The resident or the resident's representative must submit in writing a reconsideration request to the facility administrator within 30 days of receipt of the resident classification notice. The written request must include the reasons for the reconsideration request.

(2) Within three business days of receiving the reconsideration request, the nursing facility must submit to the commissioner of health a completed reconsideration request form, a copy of the resident's or resident's representative's written request, and all supporting documentation used to complete the assessment being reconsidered. If the facility fails to provide the required information, the reconsideration will be completed with the information submitted and the facility cannot make further reconsideration requests on this classification.

(3) Upon written request and within three business days, the nursing facility must give the resident or the resident's representative a copy of the assessment being reconsidered and all supporting documentation used to complete the assessment. Notwithstanding any law to the contrary, the facility may not charge a fee for providing copies of the requested documentation. If a facility fails to provide the required documents within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the nursing facility immediately comply with the request for information, and as of the date of the issuance of the correction order, the facility shall forfeit to the state a \$100 fine for the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.

(c) For reconsideration requests initiated by the facility:

(1) The facility is required to inform the resident or the resident's representative in writing that a reconsideration of the resident's case mix reimbursement classification is being requested. The notice must inform the resident or the resident's representative:

(i) of the date and reason for the reconsideration request;

(ii) of the potential for a case mix reimbursement classification change and subsequent rate change;

(iii) of the extent of the potential rate change;

(iv) that copies of the request and supporting documentation are available for review; and

(v) that the resident or the resident's representative has the right to request a reconsideration also.

(2) Within 30 days of receipt of the audit exit report or resident classification notice, the facility must submit to the commissioner of health a completed reconsideration request form, all supporting documentation used to complete the assessment being reconsidered, and a copy of the notice

informing the resident or the resident's representative that a reconsideration of the resident's classification is being requested.

(3) If the facility fails to provide the required information, the reconsideration request may be denied and the facility may not make further reconsideration requests on this classification.

(d) Reconsideration by the commissioner must be made by individuals not involved in reviewing the assessment, audit, or reconsideration that established the disputed classification. The reconsideration must be based upon the assessment that determined the classification and upon the information provided to the commissioner of health under paragraphs (a) to (c). If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. Within 15 business days of receiving the request for reconsideration, the commissioner shall affirm or modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect characteristics of the resident at the time of the assessment. The commissioner must transmit the reconsideration classification notice by electronic means to the nursing facility. The nursing facility is responsible for the distribution of the notice to the resident or the resident's representative. The notice must be distributed by the nursing facility within three business days after receipt. A decision by the commissioner under this subdivision is the final administrative decision of the agency for the party requesting reconsideration.

(e) The case mix reimbursement classification established by the commissioner shall be the classification which applies to the resident while the request for reconsideration is pending. If a request for reconsideration applies to an assessment used to determine nursing facility level of care under subdivision 4, paragraph ~~(d)~~ (c), the resident shall continue to be eligible for nursing facility level of care while the request for reconsideration is pending.

(f) The commissioner may request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

(g) Data collected as part of the reconsideration process under this section is classified as private data on individuals and nonpublic data pursuant to section 13.02. Notwithstanding the classification of these data as private or nonpublic, the commissioner is authorized to share these data with the U.S. Centers for Medicare and Medicaid Services and the commissioner of human services as necessary for reimbursement purposes.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 5. Minnesota Statutes 2024, section 144.0724, subdivision 9, is amended to read:

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section 256R.17 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual or ~~OSA Manual version 1.0 v.2 published by the Centers for Medicare and Medicaid Services.~~

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the case mix reimbursement classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix reimbursement classifications of residents. These circumstances include, but are not limited to, the following:

- (i) frequent changes in the administration or management of the facility;
- (ii) an unusually high percentage of residents in a specific case mix reimbursement classification;
- (iii) a high frequency in the number of reconsideration requests received from a facility;
- (iv) frequent adjustments of case mix reimbursement classifications as the result of reconsiderations or audits;
- (v) a criminal indictment alleging provider fraud;
- (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;
- (vii) an atypical pattern of scoring minimum data set items;
- (viii) nonsubmission of assessments;
- (ix) late submission of assessments; or
- (x) a previous history of audit changes of 35 percent or greater.

(f) If the audit results in a case mix reimbursement classification change, the commissioner must transmit the audit classification notice by electronic means to the nursing facility within 15 business days of completing an audit. The nursing facility is responsible for distribution of the notice to each resident or the resident's representative. This notice must be distributed by the nursing facility within three business days after receipt. The notice must inform the resident of the case mix reimbursement classification assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, the opportunity to request a reconsideration of the classification, and the address and telephone number of the Office of Ombudsman for Long-Term Care.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 6. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

(1) the person requires formal clinical monitoring at least once per day;

(2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

(4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;

(5) the person has had a qualifying nursing facility stay of at least 90 days;

(6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or

(7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone or be homeless without the person's current housing and also meets one of the following criteria:

(i) the person has experienced a fall resulting in a fracture;

(ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect;
or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, ~~paragraphs~~ paragraph (b) and ~~(e)~~, that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under chapter 256S and section 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

EFFECTIVE DATE. This section is effective October 1, 2025, and applies to assessments conducted on or after that date.

Sec. 7. Minnesota Statutes 2024, section 144.586, subdivision 2, is amended to read:

Subd. 2. **Postacute care discharge planning.** (a) Each hospital, including hospitals designated as critical access hospitals, must comply with the federal hospital requirements for discharge planning which include:

(1) conducting a discharge planning evaluation that includes an evaluation of:

(i) the likelihood of the patient needing posthospital services and of the availability of those services; and

(ii) the patient's capacity for self-care or the possibility of the patient being cared for in the environment from which the patient entered the hospital;

(2) timely completion of the discharge planning evaluation under clause (1) by hospital personnel so that appropriate arrangements for posthospital care are made before discharge, and to avoid unnecessary delays in discharge;

(3) including the discharge planning evaluation under clause (1) in the patient's medical record for use in establishing an appropriate discharge plan. The hospital must discuss the results of the evaluation with the patient or individual acting on behalf of the patient. The hospital must reassess the patient's discharge plan if the hospital determines that there are factors that may affect continuing care needs or the appropriateness of the discharge plan; and

(4) providing counseling, as needed, for the patient and family members or interested persons to prepare them for posthospital care. The hospital must provide a list of available Medicare-eligible home care agencies or skilled nursing facilities that serve the patient's geographic area, or other area requested by the patient if such care or placement is indicated and appropriate. Once the patient has designated their preferred providers, the hospital will assist the patient in securing care covered by their health plan or within the care network. The hospital must not specify or otherwise limit the qualified providers that are available to the patient. The hospital must document in the patient's record that the list was presented to the patient or to the individual acting on the patient's behalf.

(b) Each hospital, including hospitals designated as critical access hospitals, must document in the patient's discharge plan any instances when a chemical, manual, or mechanical restraint was used to manage the patient's behavior prior to discharge, including the type of restraint, duration, and frequency. In cases where the patient is transferred to any licensed or registered provider, the hospital must notify the provider of the type, duration, and frequency of the restraint. Restraint has the meaning given in section 144G.08, subdivision 61a.

Sec. 8. Minnesota Statutes 2024, section 144.6502, subdivision 3, is amended to read:

Subd. 3. **Consent to electronic monitoring.** (a) Except as otherwise provided in this subdivision, a resident must consent to electronic monitoring in the resident's room or private living unit in writing on a notification and consent form. If the resident has not affirmatively objected to electronic monitoring and the resident representative attests that the resident's medical professional ~~determines~~ determined that the resident currently lacks the ability to understand and appreciate the nature and consequences of electronic monitoring, the resident representative may consent on behalf of the resident. For purposes of this subdivision, a resident affirmatively objects when the resident orally, visually, or through the use of auxiliary aids or services declines electronic monitoring. The resident's response must be documented on the notification and consent form.

(b) Prior to a resident representative consenting on behalf of a resident, the resident must be asked if the resident wants electronic monitoring to be conducted. The resident representative must explain to the resident:

(1) the type of electronic monitoring device to be used;

(2) the standard conditions that may be placed on the electronic monitoring device's use, including those listed in subdivision 6;

(3) with whom the recording may be shared under subdivision 10 or 11; and

(4) the resident's ability to decline all recording.

(c) A resident, or resident representative when consenting on behalf of the resident, may consent to electronic monitoring with any conditions of the resident's or resident representative's choosing, including the list of standard conditions provided in subdivision 6. A resident, or resident representative when consenting on behalf of the resident, may request that the electronic monitoring device be turned off or the visual or audio recording component of the electronic monitoring device be blocked at any time.

(d) Prior to implementing electronic monitoring, a resident, or resident representative when acting on behalf of the resident, must obtain the written consent on the notification and consent form of any other resident residing in the shared room or shared private living unit. A roommate's or roommate's resident representative's written consent must comply with the requirements of paragraphs (a) to (c). Consent by a roommate or a roommate's resident representative under this paragraph authorizes the resident's use of any recording obtained under this section, as provided under subdivision 10 or 11.

(e) Any resident conducting electronic monitoring must immediately remove or disable an electronic monitoring device prior to a new roommate moving into a shared room or shared private

living unit, unless the resident obtains the roommate's or roommate's resident representative's written consent as provided under paragraph (d) prior to the roommate moving into the shared room or shared private living unit. Upon obtaining the new roommate's signed notification and consent form and submitting the form to the facility as required under subdivision 5, the resident may resume electronic monitoring.

(f) The resident or roommate, or the resident representative or roommate's resident representative if the representative is consenting on behalf of the resident or roommate, may withdraw consent at any time and the withdrawal of consent must be documented on the original consent form as provided under subdivision 5, paragraph (d).

Sec. 9. Minnesota Statutes 2024, section 144.6512, subdivision 3, is amended to read:

Subd. 3. **Retaliation against a resident.** A resident has the right to be free from retaliation. For purposes of this section, to retaliate against a resident includes but is not limited to any of the following actions taken or threatened by a nursing home or an agent of the nursing home against a resident, or any person with a familial, personal, legal, or professional relationship with the resident:

- (1) a discharge or transfer;
- (2) any form of discrimination;
- (3) restriction or prohibition of access:
 - (i) of the resident to the nursing home or visitors; or
 - (ii) of a family member or a person with a personal, legal, or professional relationship with the resident, to the resident, unless the restriction is the result of a court order;
- (4) the imposition of involuntary seclusion or the withholding of food, care, or services;
- (5) restriction of any of the rights granted to residents under state or federal law;
- (6) restriction or reduction of access to or use of amenities, care, services, privileges, or living arrangements; or
- (7) unauthorized removal, tampering with, or deprivation of technology, communication, or electronic monitoring devices.

Sec. 10. Minnesota Statutes 2024, section 144.6512, is amended by adding a subdivision to read:

Subd. 5a. **Other remedies.** In addition to the remedies otherwise provided by or available under the law, a resident or a resident's legal representative may bring an action in district court against a nursing home that retaliates against the resident in violation of this section. The court may award damages, injunctive relief, and any other relief the court deems just and equitable.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 11. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 13. **Retaliation prevention training required.** All employees of a nursing home, including managerial officials and licensed administrators, must participate in annual training on the requirements of section 144.6512 and preventing retaliation against nursing home residents.

Sec. 12. Minnesota Statutes 2024, section 144A.08, is amended by adding a subdivision to read:

Subd. 1c. **Historic preservation.** A facility may request that the commissioner of health grant a variance or waiver from the physical plan and design requirements for nursing homes under this chapter and the relevant rules adopted under this chapter for the purposes of providing skilled nursing care in a building on the National Register of Historic Places. A request for a variance or waiver must be submitted to the commissioner in writing. The decision to grant or deny a variance or waiver must be based on the commissioner's evaluation of the following criteria:

(1) whether the variance or waiver will adversely affect the health, treatment, comfort, safety, or well-being of residents;

(2) whether the alternative measures to be taken, if any, are equivalent to or superior to those permitted under this chapter and relevant rules adopted under this chapter; and

(3) whether compliance with the existing or alternative equivalent requirements would impose an undue burden on the facility's efforts to preserve the historical integrity of the building while providing skilled nursing care in the building.

Sec. 13. **[144A.104] PROHIBITED CONDITION FOR ADMISSION OR CONTINUED RESIDENCE.**

A nursing home is prohibited from requiring a current or prospective resident to have or obtain a guardian or conservator as a condition of admission to or continued residence in the nursing home.

Sec. 14. Minnesota Statutes 2024, section 144A.70, subdivision 3, is amended to read:

Subd. 3. **Controlling person.** "Controlling person" means a business entity or entities, officer, program administrator, or director, whose responsibilities include the management and decision-making authority to establish or control business policy and all other policies of a supplemental nursing services agency. Controlling person also means an individual who, ~~directly or indirectly, beneficially owns an~~ has a direct ownership interest or indirect ownership interest in a corporation, partnership, or other business association that is ~~a controlling person~~ the registrant.

Sec. 15. Minnesota Statutes 2024, section 144A.70, is amended by adding a subdivision to read:

Subd. 3a. **Direct ownership interest.** "Direct ownership interest" means an individual or legal entity with at least five percent equity in capital, stock, or profits of the registrant or who is a member of a limited liability company of the registrant.

Sec. 16. Minnesota Statutes 2024, section 144A.70, is amended by adding a subdivision to read:

Subd. 4b. **Indirect ownership interest.** "Indirect ownership interest" means an individual or legal entity with a direct ownership interest in an entity that has a direct or indirect ownership interest of at least five percent in an entity that is a registrant.

Sec. 17. Minnesota Statutes 2024, section 144A.70, subdivision 7, is amended to read:

Subd. 7. **Oversight.** The commissioner is responsible for the oversight of supplemental nursing services agencies through ~~semiannual~~ unannounced surveys every two years and follow-up surveys, complaint investigations under sections 144A.51 to 144A.53, and other actions necessary to ensure compliance with sections 144A.70 to 144A.74.

Sec. 18. Minnesota Statutes 2024, section 144A.751, subdivision 1, is amended to read:

Subdivision 1. **Statement of rights.** An individual who receives hospice care has the right to:

(1) receive written information about rights in advance of receiving hospice care or during the initial evaluation visit before the initiation of hospice care, including what to do if rights are violated;

(2) receive care and services according to a suitable hospice plan of care and subject to accepted hospice care standards and to take an active part in creating and changing the plan and evaluating care and services;

(3) be told in advance of receiving care about the services that will be provided, the disciplines that will furnish care, the frequency of visits proposed to be furnished, other choices that are available, and the consequence of these choices, including the consequences of refusing these services;

(4) be told in advance, whenever possible, of any change in the hospice plan of care and to take an active part in any change;

(5) refuse services or treatment;

(6) know, in advance, any limits to the services available from a provider, and the provider's grounds for a termination of services;

(7) know in advance of receiving care whether the hospice services may be covered by health insurance, medical assistance, Medicare, or other health programs in which the individual is enrolled;

(8) receive, upon request, a good faith estimate of the reimbursement the provider expects to receive from the health plan company in which the individual is enrolled. A good faith estimate must also be made available at the request of an individual who is not enrolled in a health plan company. This payment information does not constitute a legally binding estimate of the cost of services;

(9) know that there may be other services available in the community, including other end of life services and other hospice providers, and know where to go for information about these services;

(10) choose freely among available providers and change providers after services have begun, within the limits of health insurance, medical assistance, Medicare, or other health programs;

(11) have personal, financial, and medical information kept private and be advised of the provider's policies and procedures regarding disclosure of such information;

(12) be allowed access to records and written information from records according to sections 144.291 to 144.298;

(13) be served by people who are properly trained and competent to perform their duties;

(14) be treated with courtesy and respect and to have the patient's property treated with respect;

(15) voice grievances regarding treatment or care that is, or fails to be, furnished or regarding the lack of courtesy or respect to the patient or the patient's property;

(16) be free from physical and verbal abuse;

(17) reasonable, advance notice of changes in services or charges, including at least ten days' advance notice of the termination of a service by a provider, except in cases where:

(i) the recipient of services engages in conduct that alters the conditions of employment between the hospice provider and the individual providing hospice services, or creates an abusive or unsafe work environment for the individual providing hospice services;

(ii) an emergency for the informal caregiver or a significant change in the recipient's condition has resulted in service needs that exceed the current service provider agreement and that cannot be safely met by the hospice provider; or

(iii) the recipient is no longer certified as terminally ill;

(18) a coordinated transfer when there will be a change in the provider of services;

(19) know how to contact an individual associated with the provider who is responsible for handling problems and to have the provider investigate and attempt to resolve the grievance or complaint;

(20) know the name and address of the state or county agency to contact for additional information or assistance;

(21) assert these rights personally, or have them asserted by the hospice patient's family when the patient has been judged incompetent, without retaliation; ~~and~~

(22) have pain and symptoms managed to the patient's desired level of comfort, including ensuring appropriate pain medications are immediately available to the patient;

(23) revoke hospice election at any time; and

(24) receive curative treatment for any condition unrelated to the condition that qualified the individual for hospice, while remaining on hospice election.

Sec. 19. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 26a. **Imminent risk.** "Imminent risk" means an immediate and impending threat to the health, safety, or rights of an individual.

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

Sec. 20. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 54a. **Prone restraint.** "Prone restraint" means the use of manual restraint that places a resident in a face-down position. Prone restraint does not include brief physical holding of a resident who, during an emergency use of manual restraint, rolls into a prone position, if the resident is restored to a standing, sitting, or side-lying position as quickly as possible.

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

Sec. 21. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 55a. **Registered nurse.** "Registered nurse" has the meaning given in section 148.171, subdivision 20, and includes advanced practice registered nurse as defined in section 148.171, subdivision 3.

Sec. 22. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 61a. **Restraint.** "Restraint" means:

- (1) chemical restraint, as defined in section 245D.02, subdivision 3b;
- (2) manual restraint, as defined in section 245D.02, subdivision 15a;
- (3) mechanical restraint, as defined in section 245D.02, subdivision 15b; or
- (4) any other form of restraint that results in limiting the free and normal movement of body or limbs.

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

Sec. 23. Minnesota Statutes 2024, section 144G.10, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a)(1) Beginning August 1, 2021, no assisted living facility may operate in Minnesota unless it is licensed under this chapter.

(2) No facility or building on a campus may provide assisted living services until obtaining the required license under paragraphs (c) to (e).

(b) The licensee is legally responsible for the management, control, and operation of the facility, regardless of the existence of a management agreement or subcontract. Nothing in this chapter shall in any way affect the rights and remedies available under other law.

(c) Upon approving an application for an assisted living facility license, the commissioner shall issue a single license for each building that is operated by the licensee as an assisted living facility and is located at a separate address, except as provided under paragraph (d) or (e). If a licensed assisted living facility wants a portion of the licensed assisted living building to be utilized by an

unlicensed entity or a different license type not granted under chapter 144G, the licensed assisted living facility must ensure there is at least a vertical two-hour fire barrier constructed in accordance with the National Fire Protection Association, Standard 101, Life Safety Code, between any licensed assisted living areas and unlicensed entity areas of the building and between the licensed assisted living areas and any licensed areas subject to another license type.

(d) Upon approving an application for an assisted living facility license, the commissioner may issue a single license for two or more buildings on a campus that are operated by the same licensee as an assisted living facility. An assisted living facility license for a campus must identify the address and licensed resident capacity of each building located on the campus in which assisted living services are provided.

(e) Upon approving an application for an assisted living facility license, the commissioner may:

(1) issue a single license for two or more buildings on a campus that are operated by the same licensee as an assisted living facility with dementia care, provided the assisted living facility for dementia care license for a campus identifies the buildings operating as assisted living facilities with dementia care; or

(2) issue a separate assisted living facility with dementia care license for a building that is on a campus and that is operating as an assisted living facility with dementia care.

Sec. 24. Minnesota Statutes 2024, section 144G.10, subdivision 1a, is amended to read:

Subd. 1a. **Assisted living director license required.** Each assisted living facility must employ an assisted living director licensed or permitted by the Board of Executives for Long Term Services and Supports and be affiliated as the director of record with the board.

Sec. 25. Minnesota Statutes 2024, section 144G.10, subdivision 5, is amended to read:

Subd. 5. **Protected title; restriction on use.** (a) Effective January 1, ~~2026~~ 2027, no person or entity may use the phrase "assisted living," whether alone or in combination with other words and whether orally or in writing, to: advertise; market; or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a licensed assisted living facility that meets the requirements of this chapter. A person or entity entitled to use the phrase "assisted living" shall use the phrase only in the context of its participation that meets the requirements of this chapter.

(b) Effective January 1, ~~2026~~ 2027, the licensee's name for ~~a new~~ an assisted living facility may not include the terms "home care" or "nursing home."

Sec. 26. Minnesota Statutes 2024, section 144G.16, subdivision 3, is amended to read:

Subd. 3. **Licensure; termination or extension of provisional licenses.** (a) If the provisional licensee is in substantial compliance with the survey, the commissioner shall issue a facility license.

(b) If the provisional licensee is not in substantial compliance with the initial survey, the commissioner shall either: (1) not issue the facility license and terminate the provisional license; or (2) extend the provisional license for a period not to exceed 90 calendar days and apply conditions

necessary to bring the facility into substantial compliance. If the provisional licensee is not in substantial compliance with the survey within the time period of the extension or if the provisional licensee does not satisfy the license conditions, the commissioner may deny the license.

(c) The owners and managerial officials of a provisional licensee whose license is denied are ineligible to apply for an assisted living facility license under this chapter for one year following the facility's closure date.

Sec. 27. Minnesota Statutes 2024, section 144G.45, is amended by adding a subdivision to read:

Subd. 8. **Historic preservation.** A facility may request that the commissioner of health grant a variance or waiver from the provisions of this section or section 144G.81, subdivision 5, and relevant rules adopted under this chapter for the purposes of providing housing and assisted living services in a building on the National Register of Historic Places. A request for a variance or waiver must be submitted to the commissioner in writing. The decision to grant or deny a variance or waiver must be based on the commissioner's evaluation of the following criteria:

(1) whether the variance or waiver will adversely affect the health, treatment, comfort, safety, or well-being of residents;

(2) whether the alternative measures to be taken, if any, are equivalent to or superior to those permitted under this section, section 144G.81, and relevant rules adopted under this chapter; and

(3) whether compliance with the existing or alternative equivalent requirements would impose an undue burden on the facility's efforts to preserve the historical integrity of the building while providing housing and assisted living services in the building.

Sec. 28. **[144G.505] PROHIBITED CONDITION OF ADMISSION OR CONTINUED RESIDENCE.**

An assisted living facility is prohibited from requiring a current or prospective resident to have or obtain a guardian or conservator as a condition of admission to or continued residence in the assisted living facility.

Sec. 29. Minnesota Statutes 2024, section 144G.51, is amended to read:

144G.51 ARBITRATION.

(a) ~~An assisted living facility must~~ If an assisted living facility includes an arbitration provision in the assisted living contract, the provision and contract must:

(1) clearly and conspicuously disclose, in writing ~~in an assisted living contract~~, any arbitration provision in the contract that precludes, or limits, or delays the ability of a resident or the resident's agent from taking a civil action;

(b) ~~An arbitration requirement must not include a choice of law or choice of venue provision. Assisted living contracts must~~ (2) adhere to Minnesota law and any other applicable federal or local law;

(3) not require any resident or the resident's representative to sign a contract containing a provision for binding arbitration as a condition of admission to, or as a requirement to continue to receive care at, the facility; and

(4) explicitly inform the resident or the resident's representative of the resident's right not to sign a contract containing a provision for binding arbitration as a condition of admission to, or as a requirement to continue to receive care at, the facility.

Sec. 30. Minnesota Statutes 2024, section 144G.52, is amended by adding a subdivision to read:

Subd. 5a. **Impermissible ground for termination.** A facility must not terminate an assisted living contract on the ground that the resident changes from using private funds to using public funds to pay for housing or services. This subdivision does not prohibit a facility from terminating an assisted living contract for nonpayment according to subdivision 3 or for a violation of the assisted living contract according to subdivision 4.

Sec. 31. Minnesota Statutes 2024, section 144G.53, is amended to read:

144G.53 NONRENEWAL OF HOUSING.

Subdivision 1. **Notice or termination procedure.** (a) If a facility decides to not renew a resident's housing under a contract, the facility must either (1) provide the resident with 60 calendar days' notice of the nonrenewal and assistance with relocation planning, or (2) follow the termination procedure under section 144G.52.

(b) The notice must include the reason for the nonrenewal and contact information of the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities.

(c) A facility must:

(1) provide notice of the nonrenewal to the Office of Ombudsman for Long-Term Care; and

(2) for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, provide notice to the resident's case manager;

Subd. 2. **Prohibited ground for nonrenewal.** A facility must not decline to renew a resident's housing under a contract on the ground that the resident changes from using private funds to using public funds to pay for housing. This subdivision does not prohibit a facility from terminating an assisted living contract for nonpayment according to section 144G.52, subdivision 3, or for a violation of the assisted living contract according to section 144G.52, subdivision 4.

Subd. 3. **Requirements following notice.** If a facility provides notice of nonrenewal according to subdivision 1, the facility must:

~~(3)~~ (1) ensure a coordinated move to a safe location, as defined in section 144G.55, subdivision 2, that is appropriate for the resident;

~~(4)~~ (2) ensure a coordinated move to an appropriate service provider identified by the facility, if services are still needed and desired by the resident;

~~(5)~~ (3) consult and cooperate with the resident, legal representative, designated representative, case manager for a resident who receives home and community-based waiver services under chapter 256S and section 256B.49, relevant health professionals, and any other persons of the resident's choosing to make arrangements to move the resident, including consideration of the resident's goals; and

~~(6)~~ (4) prepare a written plan to prepare for the move.

Subd. 4. **Right to move to location of resident's choosing or to use provider of resident's choosing.** ~~(4)~~ A resident may decline to move to the location the facility identifies or to accept services from a service provider the facility identifies, and may instead choose to move to a location of the resident's choosing or receive services from a service provider of the resident's choosing within the timeline prescribed in the nonrenewal notice.

Sec. 32. **[144G.65] TRAINING IN EMERGENCY MANUAL RESTRAINTS.**

Subdivision 1. **Training.** The licensee must ensure that staff who may apply an emergency manual restraint complete a minimum of four hours of training from qualified individuals prior to assuming these responsibilities. Training must include:

(1) types of behaviors, de-escalation techniques, and their value;

(2) principles of person-centered planning and service delivery as identified in section 245D.07, subdivision 1a;

(3) what constitutes the use of a restraint;

(4) staff responsibilities related to prohibited procedures under section 144G.85, subdivision 4; why the procedures are not effective for reducing or eliminating symptoms or interfering behavior; and why the procedures are not safe;

(5) the situations in which staff must contact 911 services in response to an imminent risk of harm to the resident or others; and

(6) strategies for respecting and supporting each resident's cultural preferences.

Subd. 2. **Annual refresher training.** The licensee must ensure that staff who may apply an emergency manual restraint complete two hours of refresher training on an annual basis covering each of the training areas in subdivision 1.

Subd. 3. **Implementation.** The assisted living facility must implement all orientation and training topics in this section.

Subd. 4. **Verification and documentation of orientation and training.** For staff who may apply an emergency manual restraint, the assisted living facility must retain evidence in the employee record of each staff person having completed the orientation and training required under this section.

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

Sec. 33. Minnesota Statutes 2024, section 144G.70, subdivision 2, is amended to read:

Subd. 2. **Initial reviews, assessments, and monitoring.** (a) Residents who are not receiving any assisted living services shall not be required to undergo an initial comprehensive nursing assessment.

(b) An assisted living facility shall conduct a comprehensive nursing assessment by a registered nurse of the physical and cognitive needs of the prospective resident and propose a temporary service plan prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier. If necessitated by either the geographic distance between the prospective resident and the facility, or urgent or unexpected circumstances, the comprehensive assessment may be conducted using telecommunication methods based on practice standards that meet the resident's needs and reflect person-centered planning and care delivery.

(c) Resident comprehensive reassessment and monitoring must be conducted ~~no more than 14 calendar days after initiation of services. Ongoing resident reassessment and monitoring must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the last date of the assessment~~ by a registered nurse:

- (1) no more than 14 calendar days after initiation of services;
- (2) as needed based upon changes in the needs of the resident; and
- (3) at least every 90 calendar days.

(d) Sections of the comprehensive reassessment and monitoring in paragraph (c) may be completed by a licensed practical nurse as allowed under the Nurse Practice Act in sections 148.171 to 148.285. A registered nurse must review the findings as part of the resident's comprehensive reassessment.

~~(d)~~ (e) For residents only receiving assisted living services specified in section 144G.08, subdivision 9, clauses (1) to (5), the facility shall complete an individualized initial review of the resident's needs and preferences. The initial review must be completed within 30 calendar days of the start of services. Resident monitoring and review must be conducted as needed based on changes in the needs of the resident and cannot exceed 90 calendar days from the date of the last review.

~~(e)~~ (f) A facility must inform the prospective resident of the availability of and contact information for long-term care consultation services under section 256B.0911, prior to the date on which a prospective resident executes a contract with a facility or the date on which a prospective resident moves in, whichever is earlier.

Sec. 34. Minnesota Statutes 2024, section 144G.71, subdivision 3, is amended to read:

Subd. 3. **Individualized medication monitoring and reassessment.** ~~The assisted living facility~~ A registered nurse or qualified staff delegated the task by a registered nurse must monitor and reassess the resident's medication management services as needed under subdivision 2 when the resident presents with symptoms or other issues that may be medication-related and, at a minimum, annually.

Sec. 35. Minnesota Statutes 2024, section 144G.71, subdivision 5, is amended to read:

Subd. 5. **Individualized medication management plan.** (a) For each resident receiving medication management services, ~~the assisted living facility~~ a registered nurse or qualified staff delegated the task by a registered nurse must prepare and include in the service plan a written statement of the medication management services that will be provided to the resident. The facility must develop and maintain a current individualized medication management record for each resident based on the resident's assessment that must contain the following:

- (1) a statement describing the medication management services that will be provided;
 - (2) a description of storage of medications based on the resident's needs and preferences, risk of diversion, and consistent with the manufacturer's directions;
 - (3) documentation of specific resident instructions relating to the administration of medications;
 - (4) identification of persons responsible for monitoring medication supplies and ensuring that medication refills are ordered on a timely basis;
 - (5) identification of medication management tasks that may be delegated to unlicensed personnel;
 - (6) procedures for staff notifying a registered nurse or appropriate licensed health professional when a problem arises with medication management services; and
 - (7) any resident-specific requirements relating to documenting medication administration, verifications that all medications are administered as prescribed, and monitoring of medication use to prevent possible complications or adverse reactions.
- (b) The medication management record must be current and updated when there are any changes.
- (c) Medication reconciliation must be completed when a licensed nurse, licensed health professional, or authorized prescriber is providing medication management.

Sec. 36. Minnesota Statutes 2024, section 144G.81, subdivision 1, is amended to read:

Subdivision 1. **Fire protection and physical environment.** An assisted living facility with a dementia care ~~that has a secured dementia care unit~~ license must meet the requirements of section 144G.45 and the following additional requirements:

(1) ~~a hazard vulnerability~~ an assessment of safety risk risks must be performed on and around the property. ~~The hazards indicated~~ the safety risks identified by the facility on the assessment must be ~~assessed and~~ mitigated to protect the residents from harm. The mitigation efforts must be documented in the facility's records; and

(2) the facility ~~shall~~ must be protected throughout by an approved supervised automatic sprinkler system by August 1, 2029.

Sec. 37. Minnesota Statutes 2024, section 144G.81, subdivision 5, is amended to read:

Subd. 5. **Variance or waiver.** A facility may request under section 144G.45, subdivision 7 or 8, that the commissioner grant a variance or waiver from the provisions of this section, except subdivision 4.

Sec. 38. [144G.85] USE OF RESTRAINTS.

Subdivision 1. Use of restraints prohibited. Restraints are prohibited except as described in subdivisions 2 and 4.

Subd. 2. Emergency use of manual restraints. Emergency use of a manual restraint is permitted only when immediate intervention is needed to protect the resident or others from imminent risk of physical harm and is the least restrictive intervention to address the risk. The manual restraint must be imposed for the least amount of time necessary and removed when there is no longer imminent risk of physical harm to the resident or other persons in the facility. The use of a manual restraint under this subdivision must:

- (1) take into consideration the rights, health, and welfare of the resident;
- (2) not apply back or chest pressure while the resident is in a prone, supine, or side-lying position;
- (3) allow the resident to be free from prone restraint.

Subd. 3. Documentation and notification of use of emergency manual restraints. (a) The resident's legal representative must be notified within 12 hours of any use of an emergency manual restraint and of the circumstances that prompted the use of an emergency manual restraint. Notification and the use of an emergency manual restraint must be documented. If known, the advanced practice registered nurse, physician, or physician assistant must be notified within 12 hours of any use of an emergency manual restraint.

(b) On a form developed by the commissioner, the facility must notify the commissioner and the ombudsperson for long-term care within seven calendar days of the use of any emergency manual restraint. The commissioner will monitor reported uses of emergency manual restraints to detect overuse or unauthorized, inappropriate, or ineffective use of emergency manual restraints. The form must include:

- (1) the name and date of birth of the resident;
- (2) the date and time of the use of the emergency manual restraint;
- (3) the names of staff and any residents who were involved in the incident leading up to the emergency use of a manual restraint;
- (4) a description of the incident, including the length of time the restraint was applied, and who was present before and during the incident leading up to the emergency use of a manual restraint;
- (5) a description of what less restrictive alternative measures were attempted to de-escalate the incident and maintain safety that identifies when, how, and how long the alternative measures were attempted before the emergency manual restraint was implemented;
- (6) a description of the mental, physical, and emotional condition of the resident who was manually restrained and of other persons involved in the incident leading up to, during, and following the manual restraint;

(7) whether there was any injury to the resident who was manually restrained or other persons involved in the incident, including staff, before or as a result of the use of manual restraint; and

(8) whether there was a debriefing following the incident with the staff, and, if not contraindicated, with the resident who was manually restrained and other persons who were involved in or who witnessed the manual restraint, and the outcome of the debriefing. If the debriefing was not conducted at the time the incident report was made, the report should identify whether a debriefing is planned and whether there is a plan for mitigating use of emergency manual restraints in the future.

(c) A copy of the report submitted under paragraph (b) must be maintained in the resident's record.

(d) A copy of the report submitted under paragraph (b) must be sent to the resident's waiver case manager within seven calendar days of the use of any emergency manual restraints. Any use of emergency manual restraints on people served under section 256B.49 and chapter 256S must be documented by the case manager in the resident's support plan, as defined in sections 256B.49, subdivision 15, and 256S.10.

Subd. 4. **Ordered treatment.** Any use of a restraint, other than the use of an emergency manual restraint to address an imminent risk, must be the least restrictive option and comply with the requirements for an ordered treatment under section 144G.72.

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

Sec. 39. Minnesota Statutes 2024, section 144G.92, subdivision 2, is amended to read:

Subd. 2. **Retaliation against a resident.** A resident has the right to be free from retaliation. For purposes of this section, to retaliate against a resident includes but is not limited to any of the following actions taken or threatened by a facility or an agent of the facility against a resident, or any person with a familial, personal, legal, or professional relationship with the resident:

- (1) termination of a contract;
- (2) any form of discrimination;
- (3) restriction or prohibition of access:
 - (i) of the resident to the facility or visitors; or
 - (ii) of a family member or a person with a personal, legal, or professional relationship with the resident, to the resident, unless the restriction is the result of a court order;
- (4) the imposition of involuntary seclusion or the withholding of food, care, or services;
- (5) restriction of any of the rights granted to residents under state or federal law;
- (6) restriction or reduction of access to or use of amenities, care, services, privileges, or living arrangements; or

(7) unauthorized removal, tampering with, or deprivation of technology, communication, or electronic monitoring devices.

Sec. 40. Minnesota Statutes 2024, section 144G.92, is amended by adding a subdivision to read:

Subd. 4a. **Other remedies.** In addition to the remedies otherwise provided by or available under the law, a resident or a resident's legal representative may bring an action in district court against a facility that retaliates against the resident in violation of this section. The court may award damages, injunctive relief, and any other relief the court deems just and equitable.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 41. Minnesota Statutes 2024, section 145C.07, is amended by adding a subdivision to read:

Subd. 6. **Visits by others.** A health care agent may not restrict the ability of the principal to communicate, visit, or interact with others, including receiving visitors, making or receiving telephone calls, sending or receiving personal mail, sending or receiving electronic communications including through social media, or participating in social activities, unless the health care agent has good cause to believe a restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the principal and there is no other means to avoid the significant harm. Notwithstanding section 145C.10, paragraph (c), restrictions made in violation of this subdivision carry no presumption that the health care agent is acting in good faith.

Sec. 42. Minnesota Statutes 2024, section 145C.10, is amended to read:

145C.10 PRESUMPTIONS.

(a) The principal is presumed to have the capacity to execute a health care directive and to revoke a health care directive, absent clear and convincing evidence to the contrary.

(b) A health care provider or health care agent may presume that a health care directive is legally sufficient absent actual knowledge to the contrary. A health care directive is presumed to be properly executed, absent clear and convincing evidence to the contrary.

(c) Except as provided in section 145C.07, subdivision 6, a health care agent, and a health care provider acting pursuant to the direction of a health care agent, are presumed to be acting in good faith, absent clear and convincing evidence to the contrary.

(d) A health care directive is presumed to remain in effect until the principal modifies or revokes it, absent clear and convincing evidence to the contrary.

(e) This chapter does not create a presumption concerning the intention of an individual who has not executed a health care directive and, except as otherwise provided by section 145C.15, does not impair or supersede any right or responsibility of an individual to consent, refuse to consent, or withdraw consent to health care on behalf of another in the absence of a health care directive.

(f) A copy of a health care directive is presumed to be a true and accurate copy of the executed original, absent clear and convincing evidence to the contrary, and must be given the same effect as an original.

(g) When a patient lacks decision-making capacity and is pregnant, and in reasonable medical judgment there is a real possibility that if health care to sustain her life and the life of the fetus is provided the fetus could survive to the point of live birth, the health care provider shall presume that the patient would have wanted such health care to be provided, even if the withholding or withdrawal of such health care would be authorized were she not pregnant. This presumption is negated by health care directive provisions described in section 145C.05, subdivision 2, paragraph (a), clause (10), that are to the contrary, or, in the absence of such provisions, by clear and convincing evidence that the patient's wishes, while competent, were to the contrary.

Sec. 43. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 144A.70, subdivision 4a, as Minnesota Statutes, section 144A.70, subdivision 4c, and correct all cross-references.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 144A.70, subdivision 7, as Minnesota Statutes, section 144A.714, and correct all cross-references.

Sec. 44. **REPEALER.**

Minnesota Statutes 2024, section 144G.9999, subdivisions 1, 2, and 3, are repealed.

ARTICLE 3

DIRECT CARE AND TREATMENT POLICY

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense;

(4) to an agent of the welfare system or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services ~~or~~ the commissioner of children, youth, and families; or the Direct Care and Treatment executive board determines that disclosure may compromise a Department of Human Services ~~or~~ Department of Children, Youth, and Families; or Direct Care and Treatment ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient may be disclosed if the commissioner determines that it will not compromise the investigation.

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

Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, certification holders, and former licensees are public: name, address, telephone number of licensees, email addresses except for family child foster care, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services; the commissioner of children, youth, and families; the local social services agency; or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) Except as provided in item (v), when a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution

of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity of the applicant, license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder, applicant, or controlling individual as the disqualified individual is public data at the time of the issuance of the licensing sanction or denial. If the applicant, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are private data.

(v) A correction order or fine issued to a child care provider for a licensing violation is private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

(2) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(3) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(4) When maltreatment is substantiated under section 626.557 or chapter 260E and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 142B or 245A; the commissioner of human services; commissioner of children, youth, and families; local social services agency; or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(5) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care

program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment under section 626.557 and chapter 260E, are confidential data and may be disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 260E.03, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35, subdivision 6, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.557 or chapter 260E may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 142B, 245A, and 245C, data on individuals collected by the commissioner of human services according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services ~~or~~; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under sections 260E.24, subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the commissioner of children, youth, and families or the local social services agency has determined that an individual

is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

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

Sec. 3. Minnesota Statutes 2024, section 15.471, subdivision 6, is amended to read:

Subd. 6. **Party.** (a) Except as modified by paragraph (b), "party" means a person named or admitted as a party, or seeking and entitled to be admitted as a party, in a court action or contested case proceeding, or a person admitted by an administrative law judge for limited purposes, and who is:

(1) an unincorporated business, partnership, corporation, association, or organization, having not more than 500 employees at the time the civil action was filed or the contested case proceeding was initiated; and

(2) an unincorporated business, partnership, corporation, association, or organization whose annual revenues did not exceed \$7,000,000 at the time the civil action was filed or the contested case proceeding was initiated.

(b) "Party" also includes a partner, officer, shareholder, member, or owner of an entity described in paragraph (a), clauses (1) and (2).

(c) "Party" does not include a person providing services pursuant to licensure or reimbursement on a cost basis by the Department of Health ~~or~~, the Department of Human Services, or Direct Care and Treatment when that person is named or admitted or seeking to be admitted as a party in a matter which involves the licensing or reimbursement rates, procedures, or methodology applicable to those services.

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

Sec. 4. Minnesota Statutes 2024, section 43A.241, is amended to read:

43A.241 INSURANCE CONTRIBUTIONS; FORMER EMPLOYEES.

(a) This section applies to a person who:

(1) was employed by the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board;

(2) was covered by the correctional employee retirement plan under section 352.91 or the general state employees retirement plan of the Minnesota State Retirement System as defined in section 352.021;

(3) while employed under clause (1), was assaulted by:

(i) a person under correctional supervision for a criminal offense; or

(ii) a client or patient at the Minnesota Sex Offender Program, or at a state-operated forensic services program as defined in section 352.91, subdivision 3j; and

(4) as a direct result of the assault under clause (3), was determined to be totally and permanently physically disabled under laws governing the Minnesota State Retirement System.

(b) For a person to whom this section applies, the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board, using existing budget resources, must continue to make the employer contribution for medical and dental benefits under the State Employee Group Insurance Program after the person terminates state service. If the person had dependent coverage at the time of terminating state service, employer contributions for dependent coverage also must continue under this section. The employer contributions must be in the amount of the employer contribution for active state employees at the time each payment is made. The employer contributions must continue until the person reaches age 65, provided the person makes the required employee contributions, in the amount required of an active state employee, at the time and in the manner specified by the commissioner ~~or executive board~~.

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

Sec. 5. Minnesota Statutes 2024, section 62J.495, subdivision 2, is amended to read:

Subd. 2. **E-Health Advisory Committee.** (a) The commissioner shall establish an e-Health Advisory Committee governed by section 15.059 to advise the commissioner on the following matters:

(1) assessment of the adoption and effective use of health information technology by the state, licensed health care providers and facilities, and local public health agencies;

(2) recommendations for implementing a statewide interoperable health information infrastructure, to include estimates of necessary resources, and for determining standards for clinical data exchange, clinical support programs, patient privacy requirements, and maintenance of the security and confidentiality of individual patient data;

(3) recommendations for encouraging use of innovative health care applications using information technology and systems to improve patient care and reduce the cost of care, including applications relating to disease management and personal health management that enable remote monitoring of patients' conditions, especially those with chronic conditions; and

(4) other related issues as requested by the commissioner.

(b) The members of the e-Health Advisory Committee shall include the commissioners, or commissioners' designees, of health, human services, administration, and commerce; a representative

of the Direct Care and Treatment executive board; and additional members to be appointed by the commissioner to include persons representing Minnesota's local public health agencies, licensed hospitals and other licensed facilities and providers, private purchasers, the medical and nursing professions, health insurers and health plans, the state quality improvement organization, academic and research institutions, consumer advisory organizations with an interest and expertise in health information technology, and other stakeholders as identified by the commissioner to fulfill the requirements of section 3013, paragraph (g), of the HITECH Act.

(c) This subdivision expires June 30, 2031.

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

Sec. 6. Minnesota Statutes 2024, section 97A.441, subdivision 3, is amended to read:

Subd. 3. **Angling; residents of state institutions.** The commissioner may issue a license, without a fee, to take fish by angling to a person that is a ward of the commissioner of human services and a resident of a state institution under the control of the Direct Care and Treatment executive board upon application by the commissioner of human services.

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

Sec. 7. Minnesota Statutes 2024, section 144.53, is amended to read:

144.53 FEES.

Each application for a license, or renewal thereof, to operate a hospital, sanitarium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56, except applications by the Minnesota Veterans Home, the ~~commissioner of human services~~ Direct Care and Treatment executive board for the licensing of state institutions, or ~~by~~ the administrator for the licensing of the University of Minnesota hospitals, shall be accompanied by a fee to be prescribed by the state commissioner of health pursuant to section 144.122. No fee shall be refunded. Licenses shall expire and shall be renewed as prescribed by the commissioner of health pursuant to section 144.122.

No license granted hereunder shall be assignable or transferable.

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

Sec. 8. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential program as defined in ~~section 253C.01~~ paragraph (c). For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program.

(b) "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under chapter 245G or 245I, or Minnesota Rules, parts 9530.6510 to 9530.6590.

(c) "Residential program" means (1) a hospital-based primary treatment program that provides residential treatment to minors with emotional disturbance as defined by the Comprehensive Children's Mental Health Act in sections 245.487 to 245.4889, or (2) a facility licensed by the state under Minnesota Rules, parts 2960.0580 to 2960.0700, to provide services to minors on a 24-hour basis.

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

Sec. 9. Minnesota Statutes 2024, section 144.651, subdivision 4, is amended to read:

Subd. 4. **Information about rights.** Patients and residents shall, at admission, be told that there are legal rights for their protection during their stay at the facility or throughout their course of treatment and maintenance in the community and that these are described in an accompanying written statement of the applicable rights and responsibilities set forth in this section. In the case of patients admitted to residential programs as defined in ~~section 253C.01~~ subdivision 2, the written statement shall also describe the right of a person 16 years old or older to request release as provided in section 253B.04, subdivision 2, and shall list the names and telephone numbers of individuals and organizations that provide advocacy and legal services for patients in residential programs. Reasonable accommodations shall be made for people who have communication disabilities and those who speak a language other than English. Current facility policies, inspection findings of state and local health authorities, and further explanation of the written statement of rights shall be available to patients, residents, their guardians or their chosen representatives upon reasonable request to the administrator or other designated staff person, consistent with chapter 13, the Data Practices Act, and section 626.557, relating to vulnerable adults.

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

Sec. 10. Minnesota Statutes 2024, section 144.651, subdivision 20, is amended to read:

Subd. 20. **Grievances.** Patients and residents shall be encouraged and assisted, throughout their stay in a facility or their course of treatment, to understand and exercise their rights as patients, residents, and citizens. Patients and residents may voice grievances and recommend changes in policies and services to facility staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge. Notice of the grievance procedure of the facility or program, as well as addresses and telephone numbers for the Office of Health Facility Complaints and the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

Every acute care inpatient facility, every residential program as defined in ~~section 253C.01~~ subdivision 2, every nonacute care facility, and every facility employing more than two people that

provides outpatient mental health services shall have a written internal grievance procedure that, at a minimum, sets forth the process to be followed; specifies time limits, including time limits for facility response; provides for the patient or resident to have the assistance of an advocate; requires a written response to written grievances; and provides for a timely decision by an impartial decision maker if the grievance is not otherwise resolved. Compliance by hospitals, residential programs as defined in ~~section 253C.01~~ subdivision 2 which are hospital-based primary treatment programs, and outpatient surgery centers with section 144.691 and compliance by health maintenance organizations with section 62D.11 is deemed to be compliance with the requirement for a written internal grievance procedure.

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

Sec. 11. Minnesota Statutes 2024, section 144.651, subdivision 31, is amended to read:

Subd. 31. **Isolation and restraints.** A minor patient who has been admitted to a residential program as defined in ~~section 253C.01~~ subdivision 2 has the right to be free from physical restraint and isolation except in emergency situations involving a likelihood that the patient will physically harm the patient's self or others. These procedures may not be used for disciplinary purposes, to enforce program rules, or for the convenience of staff. Isolation or restraint may be used only upon the prior authorization of a physician, advanced practice registered nurse, physician assistant, psychiatrist, or licensed psychologist, only when less restrictive measures are ineffective or not feasible and only for the shortest time necessary.

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

Sec. 12. Minnesota Statutes 2024, section 144.651, subdivision 32, is amended to read:

Subd. 32. **Treatment plan.** A minor patient who has been admitted to a residential program as defined in ~~section 253C.01~~ subdivision 2 has the right to a written treatment plan that describes in behavioral terms the case problems, the precise goals of the plan, and the procedures that will be utilized to minimize the length of time that the minor requires inpatient treatment. The plan shall also state goals for release to a less restrictive facility and follow-up treatment measures and services, if appropriate. To the degree possible, the minor patient and the minor patient's parents or guardian shall be involved in the development of the treatment and discharge plan.

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

Sec. 13. Minnesota Statutes 2024, section 144A.07, is amended to read:

144A.07 FEES.

Each application for a license to operate a nursing home, or for a renewal of license, except an application by the Minnesota Veterans Home or the ~~commissioner of human services~~ Direct Care and Treatment executive board for the licensing of state institutions, shall be accompanied by a fee to be prescribed by the commissioner of health pursuant to section 144.122. No fee shall be refunded.

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

Sec. 14. Minnesota Statutes 2024, section 146A.08, subdivision 4, is amended to read:

Subd. 4. **Examination; access to medical data.** (a) If the commissioner has probable cause to believe that an unlicensed complementary and alternative health care practitioner has engaged in conduct prohibited by subdivision 1, paragraph (h), (i), (j), or (k), the commissioner may issue an order directing the practitioner to submit to a mental or physical examination or substance use disorder evaluation. For the purpose of this subdivision, every unlicensed complementary and alternative health care practitioner is deemed to have consented to submit to a mental or physical examination or substance use disorder evaluation when ordered to do so in writing by the commissioner and further to have waived all objections to the admissibility of the testimony or examination reports of the health care provider performing the examination or evaluation on the grounds that the same constitute a privileged communication. Failure of an unlicensed complementary and alternative health care practitioner to submit to an examination or evaluation when ordered, unless the failure was due to circumstances beyond the practitioner's control, constitutes an admission that the unlicensed complementary and alternative health care practitioner violated subdivision 1, paragraph (h), (i), (j), or (k), based on the factual specifications in the examination or evaluation order and may result in a default and final disciplinary order being entered after a contested case hearing. An unlicensed complementary and alternative health care practitioner affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the practitioner can resume the provision of complementary and alternative health care practices with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the commissioner shall be used against an unlicensed complementary and alternative health care practitioner in any other proceeding.

(b) In addition to ordering a physical or mental examination or substance use disorder evaluation, the commissioner may, notwithstanding section 13.384; 144.651; 595.02; or any other law limiting access to medical or other health data, obtain medical data and health records relating to an unlicensed complementary and alternative health care practitioner without the practitioner's consent if the commissioner has probable cause to believe that a practitioner has engaged in conduct prohibited by subdivision 1, paragraph (h), (i), (j), or (k). The medical data may be requested from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is private data under section 13.41.

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

Sec. 15. Minnesota Statutes 2024, section 147.091, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1), it may direct the person to submit to a mental or physical examination. For the purpose of this subdivision every regulated person is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a regulated person to submit to an examination when directed constitutes

an admission of the allegations against the person, unless the failure was due to circumstance beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A regulated person affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of the regulated profession with reasonable skill and safety to the public.

In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a regulated person in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a regulated person or applicant without the person's or applicant's consent if the board has probable cause to believe that a regulated person comes under subdivision 1, paragraph (1). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 16. Minnesota Statutes 2024, section 147A.13, subdivision 6, is amended to read:

Subd. 6. **Mental examination; access to medical data.** (a) If the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1), it may direct the physician assistant to submit to a mental or physical examination. For the purpose of this subdivision, every physician assistant licensed under this chapter is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a physician assistant to submit to an examination when directed constitutes an admission of the allegations against the physician assistant, unless the failure was due to circumstance beyond the physician assistant's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A physician assistant affected under this subdivision shall at reasonable intervals be given an opportunity to demonstrate that the physician assistant can resume competent practice with reasonable skill and safety to patients. In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board shall be used against a physician assistant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding sections 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a physician assistant comes under subdivision 1, clause (1).

The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under chapter 13.

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

Sec. 17. Minnesota Statutes 2024, section 148.10, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The state Board of Chiropractic Examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the court administrator of the district court for:

(1) advertising that is false or misleading; that violates a rule of the board; or that claims the cure of any condition or disease;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06 or conduct which subverts or attempts to subvert the licensing examination process;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) the conviction, during the previous five years, of a felony reasonably related to the practice of chiropractic;

(6) habitual intemperance in the use of alcohol or drugs;

(7) practicing under a license which has not been renewed;

(8) advanced physical or mental disability;

(9) the revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country; or failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction;

(10) the violation of, or failure to comply with, the provisions of sections 148.01 to 148.105, the rules of the state Board of Chiropractic Examiners, or a lawful order of the board;

(11) unprofessional conduct;

(12) being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that the person can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to health data, obtain health data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of chiropractic comes under this clause. The health data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider or entity giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding;

(13) aiding or abetting an unlicensed person in the practice of chiropractic, except that it is not a violation of this clause for a doctor of chiropractic to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of the license or registration or delegated authority;

(14) improper management of health records, including failure to maintain adequate health records as described in clause (18), to comply with a patient's request made under sections 144.291 to 144.298 or to furnish a health record or report required by law;

(15) failure to make reports required by section 148.102, subdivisions 2 and 5, or to cooperate with an investigation of the board as required by section 148.104, or the submission of a knowingly false report against another doctor of chiropractic under section 148.10, subdivision 3;

(16) splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate;

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

(18) failing to keep written chiropractic records justifying the course of treatment of the patient, including, but not limited to, patient histories, examination results, test results, and x-rays. Unless otherwise required by law, written records need not be retained for more than seven years and x-rays need not be retained for more than four years;

(19) exercising influence on the patient or client in such a manner as to exploit the patient or client for financial gain of the licensee or of a third party which shall include, but not be limited to, the promotion or sale of services, goods, or appliances;

(20) gross or repeated malpractice or the failure to practice chiropractic at a level of care, skill, and treatment which is recognized by a reasonably prudent chiropractor as being acceptable under similar conditions and circumstances; or

(21) delegating professional responsibilities to a person when the licensee delegating such responsibilities knows or has reason to know that the person is not qualified by training, experience, or licensure to perform them.

(b) For the purposes of paragraph (a), clause (2), conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) For the purposes of paragraph (a), clauses (4) and (5), conviction as used in these subdivisions includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(d) For the purposes of paragraph (a), clauses (4), (5), and (6), a copy of the judgment or proceeding under seal of the administrator of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

(e) For the purposes of paragraph (a), clause (11), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(1) gross ignorance of, or incompetence in, the practice of chiropractic;

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

(3) performing unnecessary services;

(4) charging a patient an unconscionable fee or charging for services not rendered;

(5) directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(6) perpetrating fraud upon patients, third-party payors, or others, relating to the practice of chiropractic, including violations of the Medicare or Medicaid laws or state medical assistance laws;

(7) advertising that the licensee will accept for services rendered assigned payments from any third-party payer as payment in full, if the effect is to give the impression of eliminating the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan. As used in this clause, "advertise" means solicitation by the licensee by means of handbills, posters, circulars, motion pictures, radio, newspapers, television, or in any other manner. In addition to the board's power to punish for violations of this clause, violation of this clause is also a misdemeanor;

(8) accepting for services rendered assigned payments from any third-party payer as payment in full, if the effect is to eliminate the need of payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan, except as hereinafter provided; and

(9) any other act that the board by rule may define.

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

Sec. 18. Minnesota Statutes 2024, section 148.261, subdivision 5, is amended to read:

Subd. 5. **Examination; access to medical data.** The board may take the following actions if it has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (9) or (10):

(a) It may direct the applicant or nurse to submit to a mental or physical examination or substance use disorder evaluation. For the purpose of this subdivision, when a nurse licensed under sections 148.171 to 148.285 is directed in writing by the board to submit to a mental or physical examination or substance use disorder evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or nurse to submit to an examination when directed constitutes an admission of the allegations against the applicant or nurse, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A nurse affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of professional, advanced practice registered, or practical nursing can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph, may be used against a nurse in any other proceeding.

(b) It may, notwithstanding sections 13.384, 144.651, 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a registered nurse, advanced practice registered nurse, licensed practical nurse, or applicant for a license without that person's consent. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

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

Sec. 19. Minnesota Statutes 2024, section 148.754, is amended to read:

148.754 EXAMINATION; ACCESS TO MEDICAL DATA.

(a) If the board has probable cause to believe that a licensee comes under section 148.75, paragraph (a), clause (2), it may direct the licensee to submit to a mental or physical examination. For the purpose of this paragraph, every licensee is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that they constitute a privileged communication. Failure of the licensee to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A licensee affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the person can resume the competent practice of physical therapy with reasonable skill and safety to the public.

(b) In any proceeding under paragraph (a), neither the record of proceedings nor the orders entered by the board shall be used against a licensee in any other proceeding.

(c) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the person's or applicant's consent if the board has probable cause to believe that the person comes under paragraph (a). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this paragraph and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this paragraph, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this paragraph is classified as private under sections 13.01 to 13.87.

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

Sec. 20. Minnesota Statutes 2024, section 148B.5905, is amended to read:

148B.5905 MENTAL, PHYSICAL, OR SUBSTANCE USE DISORDER EXAMINATION OR EVALUATION; ACCESS TO MEDICAL DATA.

(a) If the board has probable cause to believe section 148B.59, paragraph (a), clause (9), applies to a licensee or applicant, the board may direct the person to submit to a mental, physical, or substance use disorder examination or evaluation. For the purpose of this section, every licensee and applicant is deemed to have consented to submit to a mental, physical, or substance use disorder examination or evaluation when directed in writing by the board and to have waived all objections to the admissibility of the examining professionals' testimony or examination reports on the grounds that the testimony or examination reports constitute a privileged communication. Failure of a licensee or applicant to submit to an examination when directed by the board constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A licensee or applicant affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of licensed professional counseling with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a licensee or applicant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that section 148B.59, paragraph (a), clause (9), applies to the licensee or applicant. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i); an insurance company; or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 21. Minnesota Statutes 2024, section 148F.09, subdivision 6, is amended to read:

Subd. 6. **Mental, physical, or chemical health evaluation.** (a) If the board has probable cause to believe that an applicant or licensee is unable to practice alcohol and drug counseling with reasonable skill and safety due to a mental or physical illness or condition, the board may direct the individual to submit to a mental, physical, or chemical dependency examination or evaluation.

(1) For the purposes of this section, every licensee and applicant is deemed to have consented to submit to a mental, physical, or chemical dependency examination or evaluation when directed in writing by the board and to have waived all objections to the admissibility of the examining

professionals' testimony or examination reports on the grounds that the testimony or examination reports constitute a privileged communication.

(2) Failure of a licensee or applicant to submit to an examination when directed by the board constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence.

(3) A licensee or applicant affected under this subdivision shall at reasonable intervals be given an opportunity to demonstrate that the licensee or applicant can resume the competent practice of licensed alcohol and drug counseling with reasonable skill and safety to the public.

(4) In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board shall be used against the licensee or applicant in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384 or sections 144.291 to 144.298, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that subdivision 1, clause (9), applies to the licensee or applicant. The medical data may be requested from:

(1) a provider, as defined in section 144.291, subdivision 2, paragraph (i);

(2) an insurance company; or

(3) a government agency, including the Department of Human Services and Direct Care and Treatment.

(c) A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false.

(d) Information obtained under this subdivision is private data on individuals as defined in section 13.02, subdivision 12.

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

Sec. 22. Minnesota Statutes 2024, section 150A.08, subdivision 6, is amended to read:

Subd. 6. **Medical records.** Notwithstanding contrary provisions of sections 13.384 and 144.651 or any other statute limiting access to medical or other health data, the board may obtain medical data and health records of a licensee or applicant without the licensee's or applicant's consent if the information is requested by the board as part of the process specified in subdivision 5. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and shall not be liable in any action for

damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision shall be classified as private under the Minnesota Government Data Practices Act.

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

Sec. 23. Minnesota Statutes 2024, section 151.071, subdivision 10, is amended to read:

Subd. 10. Mental examination; access to medical data. (a) If the board receives a complaint and has probable cause to believe that an individual licensed or registered by the board falls under subdivision 2, clause (14), it may direct the individual to submit to a mental or physical examination. For the purpose of this subdivision, every licensed or registered individual is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining practitioner's testimony or examination reports on the grounds that the same constitute a privileged communication. Failure of a licensed or registered individual to submit to an examination when directed constitutes an admission of the allegations against the individual, unless the failure was due to circumstances beyond the individual's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. Pharmacists affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can resume the competent practice of the profession of pharmacy with reasonable skill and safety to the public. Pharmacist interns, pharmacy technicians, or controlled substance researchers affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can competently resume the duties that can be performed, under this chapter or the rules of the board, by similarly registered persons with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a licensed or registered individual in any other proceeding.

(b) Notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to an individual licensed or registered by the board, or to an applicant for licensure or registration, without the individual's consent when the board receives a complaint and has probable cause to believe that the individual is practicing in violation of subdivision 2, clause (14), and the data and health records are limited to the complaint. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

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

Sec. 24. Minnesota Statutes 2024, section 153.21, subdivision 2, is amended to read:

Subd. 2. **Access to medical data.** In addition to ordering a physical or mental examination or substance use disorder evaluation, the board may, notwithstanding section 13.384, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of podiatric medicine falls within the provisions of section 153.19, subdivision 1, clause (12). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this section and is not liable in any action for damages for releasing the data requested by the board if the data are released in accordance with a written request under this section, unless the information is false and the provider giving the information knew, or had reason to believe, the information was false.

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

Sec. 25. Minnesota Statutes 2024, section 153B.70, is amended to read:

153B.70 GROUNDS FOR DISCIPLINARY ACTION.

(a) The board may refuse to issue or renew a license, revoke or suspend a license, or place on probation or reprimand a licensee for one or any combination of the following:

- (1) making a material misstatement in furnishing information to the board;
- (2) violating or intentionally disregarding the requirements of this chapter;
- (3) conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice of the profession. Conviction, as used in this clause, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered;
- (4) making a misrepresentation in order to obtain or renew a license;
- (5) displaying a pattern of practice or other behavior that demonstrates incapacity or incompetence to practice;
- (6) aiding or assisting another person in violating the provisions of this chapter;
- (7) failing to provide information within 60 days in response to a written request from the board, including documentation of completion of continuing education requirements;
- (8) engaging in dishonorable, unethical, or unprofessional conduct;
- (9) engaging in conduct of a character likely to deceive, defraud, or harm the public;
- (10) inability to practice due to habitual intoxication, addiction to drugs, or mental or physical illness;

(11) being disciplined by another state or territory of the United States, the federal government, a national certification organization, or foreign nation, if at least one of the grounds for the discipline is the same or substantially equivalent to one of the grounds in this section;

(12) directly or indirectly giving to or receiving from a person, firm, corporation, partnership, or association a fee, commission, rebate, or other form of compensation for professional services not actually or personally rendered;

(13) incurring a finding by the board that the licensee, after the licensee has been placed on probationary status, has violated the conditions of the probation;

(14) abandoning a patient or client;

(15) willfully making or filing false records or reports in the course of the licensee's practice including, but not limited to, false records or reports filed with state or federal agencies;

(16) willfully failing to report child maltreatment as required under the Maltreatment of Minors Act, chapter 260E; or

(17) soliciting professional services using false or misleading advertising.

(b) A license to practice is automatically suspended if (1) a guardian of a licensee is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the licensee, or (2) the licensee is committed by order of a court pursuant to chapter 253B. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the board after a hearing. The licensee may be reinstated to practice, either with or without restrictions, by demonstrating clear and convincing evidence of rehabilitation. The regulated person is not required to prove rehabilitation if the subsequent court decision overturns previous court findings of public risk.

(c) If the board has probable cause to believe that a licensee or applicant has violated paragraph (a), clause (10), it may direct the person to submit to a mental or physical examination. For the purpose of this section, every person is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and to have waived all objections to the admissibility of the examining physician's testimony or examination report on the grounds that the testimony or report constitutes a privileged communication. Failure of a regulated person to submit to an examination when directed constitutes an admission of the allegations against the person, unless the failure was due to circumstances beyond the person's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A regulated person affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the person can resume the competent practice of the regulated profession with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a regulated person in any other proceeding.

(d) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a licensee or applicant without the person's or applicant's consent if the board has probable cause to believe that a licensee is subject to paragraph (a), clause

(10). The medical data may be requested from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance company, or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the board under this section and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this section, unless the information is false and the provider giving the information knew, or had reason to know, the information was false. Information obtained under this section is private data on individuals as defined in section 13.02.

(e) If the board issues an order of immediate suspension of a license, a hearing must be held within 30 days of the suspension and completed without delay.

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

Sec. 26. Minnesota Statutes 2024, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) vehicles owned by ambulance services licensed under section 144E.10 that are equipped and specifically intended for emergency response or providing ambulance services; and

(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Provided the general appearance of the vehicle is unmistakable, the following vehicles are not required to register or display number plates:

(1) vehicles owned by the federal government;

(2) fire apparatuses, including fire-suppression support vehicles, owned or leased by the state or a political subdivision;

(3) police patrols owned or leased by the state or a political subdivision; and

(4) ambulances owned or leased by the state or a political subdivision.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections or by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections or by conservation officers must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by ~~the Department of Human Services' Office of Special Investigations' staff; the Minnesota Sex Offender Program's executive director and the executive director's staff; and the Office of Inspector General's staff,~~ including, but not limited to, county fraud prevention investigators, must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Office of Special Investigations' staff; ~~the Minnesota Sex Offender Program's~~

~~executive director and the executive director's staff~~; and the Office of the Inspector General's staff, including, but not limited to, contract and county fraud prevention investigators.

(h) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the Direct Care and Treatment Office of Special Investigations' staff and unmarked vehicles used by the Minnesota Sex Offender Program's executive director and the executive director's staff must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the Direct Care and Treatment executive board. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Minnesota Sex Offender Program's executive director and the executive director's staff, including but not limited to contract and county fraud prevention investigators.

~~(h)~~ (i) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the ~~commissioner~~ Direct Care and Treatment executive board and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

~~(h)~~ (j) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

~~(h)~~ (k) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by tobacco inspector staff of the Department of Human Services' Alcohol and Drug Abuse Division for the purposes of tobacco inspections, investigations, and reviews must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively by tobacco inspector staff for the duties specified in this paragraph.

~~(h)~~ (l) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable

plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

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

Sec. 27. Minnesota Statutes 2024, section 244.052, subdivision 4, is amended to read:

Subd. 4. **Law enforcement agency; disclosure of information to public.** (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the Department of Corrections ~~or~~ the Department of Human Services, or Direct Care and Treatment. The agency may disclose the information to property assessors, property inspectors, code enforcement officials, and child protection officials who are likely to visit the offender's home in the course of their duties;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential

facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law

enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.

(j) When a school, day care facility, or other entity or program that primarily educates or serves children receives notice under paragraph (b), clause (3), that a level III predatory offender resides or works in the surrounding community, notice to parents must be made as provided in this paragraph. If the predatory offender identified in the notice is participating in programs offered by the facility that require or allow the person to interact with children other than the person's children, the principal or head of the entity must notify parents with children at the facility of the contents of the notice received pursuant to this section. The immunity provisions of subdivision 7 apply to persons disclosing information under this paragraph.

(k) When an offender for whom notification was made under this subdivision no longer resides, is employed, or is regularly found in the area, and the law enforcement agency that made the notification is aware of this, the agency shall inform the entities and individuals initially notified of the change in the offender's status. If notification was made under paragraph (b), clause (3), the agency shall provide the updated information required under this paragraph in a manner designed to ensure a similar scope of dissemination. However, the agency is not required to hold a public meeting to do so.

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

Sec. 28. Minnesota Statutes 2024, section 245.50, subdivision 2, is amended to read:

Subd. 2. **Purpose and authority.** (a) The purpose of this section is to enable appropriate treatment or detoxification services to be provided to individuals, across state lines from the individual's state of residence, in qualified facilities that are closer to the homes of individuals than are facilities available in the individual's home state.

(b) Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board ~~or~~, the commissioner of human services, or the Direct Care and Treatment executive board may contract with an agency or facility in a bordering state for mental health, chemical health, or detoxification services for residents of Minnesota, and a Minnesota mental health, chemical health, or detoxification agency or facility may contract to provide services to residents of bordering states. Except as provided in subdivision 5, a person who receives services in another state under this section is subject to the laws of the state in which services are provided. A person who will receive services in another state under this section must be informed of the consequences of receiving services in another state, including the implications of the differences in state laws, to the extent the individual will be subject to the laws of the receiving state.

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

Sec. 29. Minnesota Statutes 2024, section 245.91, subdivision 2, is amended to read:

Subd. 2. **Agency.** "Agency" means the divisions, officials, or employees of the state Departments of Human Services, ~~Direct Care and Treatment~~, Health, and Education; of Direct Care and Treatment;

and of local school districts and designated county social service agencies as defined in section 256G.02, subdivision 7, that are engaged in monitoring, providing, or regulating services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

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

Sec. 30. Minnesota Statutes 2024, section 246.585, is amended to read:

246.585 CRISIS SERVICES.

Within the limits of appropriations, state-operated regional technical assistance must be available in each region to assist counties, Tribal Nations, residential and day programming staff vocational service providers, and families, and persons with disabilities to prevent or resolve crises that could lead to a change in placement person moving to a less integrated setting. ~~Crisis capacity must be provided on all regional treatment center campuses serving persons with developmental disabilities.~~ In addition, crisis capacity may be developed to serve 16 persons in the Twin Cities metropolitan area. ~~Technical assistance and consultation must also be available in each region to providers and counties.~~ Staff must be available to provide:

(1) individual assessments;

(2) program plan development and implementation assistance;

(3) analysis of service delivery problems; and

(4) assistance with transition planning, including technical assistance to counties, Tribal Nations, and service providers to develop new services, site the new services, and assist with community acceptance.

Sec. 31. Minnesota Statutes 2024, section 246C.06, subdivision 11, is amended to read:

Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and repeal rules in accordance with chapter 14 to the extent necessary to implement this chapter or any responsibilities of Direct Care and Treatment specified in state law. The 18-month time limit under section 14.125 does not apply to the rulemaking authority under this subdivision.

(b) Until July 1, 2027, the executive board may adopt rules using the expedited rulemaking process in section 14.389.

(c) In accordance with section 15.039, all orders, rules, delegations, permits, and other privileges issued or granted by the Department of Human Services with respect to any function of Direct Care and Treatment and in effect at the time of the establishment of Direct Care and Treatment shall continue in effect as if such establishment had not occurred. The executive board may amend or repeal rules applicable to Direct Care and Treatment that were established by the Department of Human Services in accordance with chapter 14.

(d) The executive board must not adopt rules that go into effect or enforce rules prior to July 1, 2025.

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

Sec. 32. Minnesota Statutes 2024, section 246C.12, subdivision 6, is amended to read:

Subd. 6. ~~Dissemination of Admission and stay criteria; dissemination.~~ (a) The executive board shall establish standard admission and continued-stay criteria for state-operated services facilities to ensure that appropriate services are provided in the least restrictive setting.

(b) The executive board shall periodically disseminate criteria for admission and continued stay in a state-operated services facility. The executive board shall disseminate the criteria to the courts of the state and counties.

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

Sec. 33. Minnesota Statutes 2024, section 246C.20, is amended to read:

246C.20 CONTRACT WITH DEPARTMENT OF HUMAN SERVICES FOR ADMINISTRATIVE SERVICES.

(a) Direct Care and Treatment shall contract with the Department of Human Services to provide determinations on issues of county of financial responsibility under chapter 256G and to provide administrative and judicial review of direct care and treatment matters according to section 256.045.

(b) The executive board may prescribe rules necessary to carry out this ~~subdivision~~ section, except that the executive board must not create any rule purporting to control the decision making or processes of state human services judges under section 256.045, subdivision 4, or the decision making or processes of the commissioner of human services issuing an advisory opinion or recommended order to the executive board under section 256G.09, subdivision 3. The executive board must not create any rule purporting to control processes for determinations of financial responsibility under chapter 256G or administrative and judicial review under section 256.045 on matters outside of the jurisdiction of Direct Care and Treatment.

(c) The executive board and commissioner of human services may adopt joint rules necessary to accomplish the purposes of this section.

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

Sec. 34. **[246C.21] INTERVIEW EXPENSES.**

Job applicants for professional, administrative, or highly technical positions recruited by the Direct Care and Treatment executive board may be reimbursed for necessary travel expenses to and from interviews arranged by the Direct Care and Treatment executive board.

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

Sec. 35. **[246C.211] FEDERAL GRANTS FOR MINNESOTA INDIANS.**

The Direct Care and Treatment executive board is authorized to enter into contracts with the United States Departments of Health and Human Services; Education; and Interior, Bureau of Indian Affairs, for the purposes of receiving federal grants for the welfare and relief of Minnesota Indians.

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

Sec. 36. Minnesota Statutes 2024, section 252.291, subdivision 3, is amended to read:

Subd. 3. **Duties of commissioner of human services.** The commissioner shall:

(1) establish ~~standard admission criteria for state hospitals and~~ county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1987, to ~~assure~~ ensure that appropriate services are provided in the least restrictive setting;

(2) define services, including respite care, that may be needed in meeting individual service plan objectives;

(3) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with developmental disabilities;

(4) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1987; and

(5) develop a state plan for the delivery and funding of residential day and support services to persons with developmental disabilities in Minnesota. The biennial developmental disability plan shall include but not be limited to:

(i) county by county maximum intermediate care bed utilization quotas;

(ii) plans for the development of the number and types of services alternative to intermediate care beds;

(iii) procedures for the administration and management of the plan;

(iv) procedures for the evaluation of the implementation of the plan; and

(v) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

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

Sec. 37. Minnesota Statutes 2024, section 252.50, subdivision 5, is amended to read:

Subd. 5. **Location of programs.** (a) In determining the location of state-operated, community-based programs, the needs of the individual client shall be paramount. The executive board shall also take into account:

(1) prioritization of beds services in state-operated, community-based programs for individuals with complex behavioral needs that cannot be met by private community-based providers;

(2) choices made by individuals who chose to move to a more integrated setting, and shall coordinate with the lead agency to ensure that appropriate person-centered transition plans are created;

(3) the personal preferences of the persons being served and their families as determined by Minnesota Rules, parts 9525.0004 to 9525.0036;

(4) the location of the support services established by the individual service plans of the persons being served;

(5) the appropriate grouping of the persons served;

(6) the availability of qualified staff;

(7) the need for state-operated, community-based programs in the geographical region of the state; and

(8) a reasonable commuting distance from a regional treatment center or the residences of the program staff.

(b) The executive board must locate state-operated, community-based programs in coordination with the commissioner of human services according to section 252.28.

Sec. 38. Minnesota Statutes 2024, section 253B.07, subdivision 2b, is amended to read:

Subd. 2b. **Apprehend and hold orders.** (a) The court may order the treatment facility or state-operated treatment program to hold the proposed patient or direct a health officer, peace officer, or other person to take the proposed patient into custody and transport the proposed patient to a treatment facility or state-operated treatment program for observation, evaluation, diagnosis, care, treatment, and, if necessary, confinement, when:

(1) there has been a particularized showing by the petitioner that serious physical harm to the proposed patient or others is likely unless the proposed patient is immediately apprehended;

(2) the proposed patient has not voluntarily appeared for the examination or the commitment hearing pursuant to the summons; or

(3) a person is held pursuant to section 253B.051 and a request for a petition for commitment has been filed.

(b) The order of the court may be executed on any day and at any time by the use of all necessary means including the imposition of necessary restraint upon the proposed patient. Where possible, a peace officer taking the proposed patient into custody pursuant to this subdivision shall not be in uniform and shall not use a vehicle visibly marked as a law enforcement vehicle. Except as provided in section 253D.10, subdivision 2, in the case of an individual on a judicial hold due to a petition for civil commitment under chapter 253D, assignment of custody during the hold is to the commissioner executive board. The commissioner executive board is responsible for determining

the appropriate placement within a secure treatment facility under the authority of the ~~commissioner~~ executive board.

(c) A proposed patient must not be allowed or required to consent to nor participate in a clinical drug trial while an order is in effect under this subdivision. A consent given while an order is in effect is void and unenforceable. This paragraph does not prohibit a patient from continuing participation in a clinical drug trial if the patient was participating in the clinical drug trial at the time the order was issued under this subdivision.

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

Sec. 39. Minnesota Statutes 2024, section 253B.09, subdivision 3a, is amended to read:

Subd. 3a. **Reporting judicial commitments; private treatment program or facility.** Notwithstanding section 253B.23, subdivision 9, when a court commits a patient to a non-state-operated treatment facility or program, the court shall report the commitment to the ~~commissioner~~ executive board through the supreme court information system for purposes of providing commitment information for firearm background checks under section 246C.15. If the patient is committed to a state-operated treatment program, the court shall send a copy of the commitment order to ~~the commissioner and~~ the executive board.

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

Sec. 40. Minnesota Statutes 2024, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The executive board shall prioritize civilly committed patients being admitted from jail or a correctional institution or who are referred to a state-operated treatment facility for competency attainment or a competency examination under sections 611.40 to 611.59 for admission to a medically appropriate state-operated direct care and treatment bed based on the decisions of physicians in the executive medical director's office, using a priority admissions framework. The framework must account for a range of factors for priority admission, including but not limited to:

(1) the length of time the person has been on a waiting list for admission to a state-operated direct care and treatment program since the date of the order under paragraph (a), or the date of an order issued under sections 611.40 to 611.59;

(2) the intensity of the treatment the person needs, based on medical acuity;

(3) the person's revoked provisional discharge status;

(4) the person's safety and safety of others in the person's current environment;

(5) whether the person has access to necessary or court-ordered treatment;

(6) distinct and articulable negative impacts of an admission delay on the facility referring the individual for treatment; and

(7) any relevant federal prioritization requirements.

Patients described in this paragraph must be admitted to a state-operated treatment program within ~~48 hours~~ the timelines specified in section 253B.1005. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d). Patients committed to a secure treatment facility or less restrictive setting as ordered by the court under section 253B.18, subdivisions 1 and 2, must be prioritized for admission to a state-operated treatment program using the priority admissions framework in this paragraph.

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the executive board for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or executive board, provide copies of the patient's medical and behavioral records to the executive board for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

~~(e) Patients described in paragraph (b) must be admitted to a state-operated treatment program within 48 hours of the Office of Executive Medical Director, under section 246C.09, or a designee determining that a medically appropriate bed is available. This paragraph expires on June 30, 2025.~~

~~(f)~~ Within four business days of determining which state-operated direct care and treatment program or programs are appropriate for an individual, the executive medical director's office or a designee must notify the source of the referral and the responsible county human services agency, the individual being ordered to direct care and treatment, and the district court that issued the order of the determination. The notice shall include which program or programs are appropriate for the person's priority status. Any interested person may provide additional information or request updated priority status about the individual to the executive medical director's office or a designee while the individual is awaiting admission. Updated Priority status of an individual will only be disclosed to interested persons who are legally authorized to receive private information about the individual. When an available bed has been identified, the executive medical director's office or a designee must notify the designated agency and the facility where the individual is awaiting admission that the individual has been accepted for admission to a particular state-operated direct care and treatment program and the earliest possible date the admission can occur. The designated agency or facility where the individual is awaiting admission must transport the individual to the admitting

state-operated direct care and treatment program no more than 48 hours after the offered admission date.

Sec. 41. [253B.1005] ADMISSION TIMELINES.

Subdivision 1. Admission required within 48 hours. Unless required otherwise under this section, patients described in section 253B.10, subdivision 1, paragraph (b), must be admitted to a state-operated treatment program within 48 hours.

Subd. 2. Temporary alternative admission timeline. Patients described in section 253B.10, subdivision 1, paragraph (b), must be admitted to a state-operated treatment program within 48 hours of the Office of Executive Medical Director, under section 246C.09, or a designee determining that a medically appropriate bed is available. This subdivision expires on June 30, 2027.

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

Sec. 42. Minnesota Statutes 2024, section 253B.141, subdivision 2, is amended to read:

Subd. 2. **Apprehension; return to facility or program.** (a) Upon receiving the report of absence from the head of the treatment facility, state-operated treatment program, or community-based treatment program or the committing court, a patient may be apprehended and held by a peace officer in any jurisdiction pending return to the facility or program from which the patient is absent without authorization. A patient may also be returned to any state-operated treatment program or any other treatment facility or community-based treatment program willing to accept the person. A person who has a mental illness and is dangerous to the public and detained under this subdivision may be held in a jail or lockup only if:

(1) there is no other feasible place of detention for the patient;

(2) the detention is for less than 24 hours; and

(3) there are protections in place, including segregation of the patient, to ensure the safety of the patient.

(b) If a patient is detained under this subdivision, the head of the facility or program from which the patient is absent shall arrange to pick up the patient within 24 hours of the time detention was begun and shall be responsible for securing transportation for the patient to the facility or program. The expense of detaining and transporting a patient shall be the responsibility of the facility or program from which the patient is absent. The expense of detaining and transporting a patient to a state-operated treatment program shall be paid by the ~~commissioner~~ executive board unless paid by the patient or persons on behalf of the patient.

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

Sec. 43. Minnesota Statutes 2024, section 253B.18, subdivision 6, is amended to read:

Subd. 6. **Transfer.** (a) A patient who is a person who has a mental illness and is dangerous to the public shall not be transferred out of a secure treatment facility unless it appears to the satisfaction of the executive board, after a hearing and favorable recommendation by a majority of the special review board, that the transfer is appropriate. Transfer may be to another state-operated treatment

program. In those instances where a commitment also exists to the Department of Corrections, transfer may be to a facility designated by the commissioner of corrections.

(b) The following factors must be considered in determining whether a transfer is appropriate:

- (1) the person's clinical progress and present treatment needs;
- (2) the need for security to accomplish continuing treatment;
- (3) the need for continued institutionalization;
- (4) which facility can best meet the person's needs; and
- (5) whether transfer can be accomplished with a reasonable degree of safety for the public.

(c) If a committed person has been transferred out of a secure treatment facility pursuant to this subdivision, that committed person may voluntarily return to a secure treatment facility for a period of up to 60 days with the consent of the head of the treatment facility.

(d) If the committed person is not returned to the original, nonsecure transfer facility within 60 days of being readmitted to a secure treatment facility, the transfer is revoked and the committed person must remain in a secure treatment facility. The committed person must immediately be notified in writing of the revocation.

(e) Within 15 days of receiving notice of the revocation, the committed person may petition the special review board for a review of the revocation. The special review board shall review the circumstances of the revocation and shall recommend to the ~~commissioner~~ executive board whether or not the revocation should be upheld. The special review board may also recommend a new transfer at the time of the revocation hearing.

(f) No action by the special review board is required if the transfer has not been revoked and the committed person is returned to the original, nonsecure transfer facility with no substantive change to the conditions of the transfer ordered under this subdivision.

(g) The head of the treatment facility may revoke a transfer made under this subdivision and require a committed person to return to a secure treatment facility if:

- (1) remaining in a nonsecure setting does not provide a reasonable degree of safety to the committed person or others; or
- (2) the committed person has regressed clinically and the facility to which the committed person was transferred does not meet the committed person's needs.

(h) Upon the revocation of the transfer, the committed person must be immediately returned to a secure treatment facility. A report documenting the reasons for revocation must be issued by the head of the treatment facility within seven days after the committed person is returned to the secure treatment facility. Advance notice to the committed person of the revocation is not required.

(i) The committed person must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a committed person under this section. The revocation report must

be served upon the committed person, the committed person's counsel, and the designated agency. The report must outline the specific reasons for the revocation, including but not limited to the specific facts upon which the revocation is based.

(j) If a committed person's transfer is revoked, the committed person may re-petition for transfer according to subdivision 5.

(k) A committed person aggrieved by a transfer revocation decision may petition the special review board within seven business days after receipt of the revocation report for a review of the revocation. The matter must be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in paragraph (b), shall recommend to the ~~commissioner~~ executive board whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

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

Sec. 44. Minnesota Statutes 2024, section 253B.19, subdivision 2, is amended to read:

Subd. 2. **Petition; hearing.** (a) A patient committed as a person who has a mental illness and is dangerous to the public under section 253B.18, or the county attorney of the county from which the patient was committed or the county of financial responsibility, may petition the judicial appeal panel for a rehearing and reconsideration of a decision by the ~~commissioner~~ executive board under section 253B.18, subdivision 5. The judicial appeal panel must not consider petitions for relief other than those considered by the executive board from which the appeal is taken. The petition must be filed with the supreme court within 30 days after the decision of the executive board is signed. The hearing must be held within 45 days of the filing of the petition unless an extension is granted for good cause.

(b) For an appeal under paragraph (a), the supreme court shall refer the petition to the chief judge of the judicial appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the executive board, the head of the facility or program to which the patient was committed, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing.

(c) Any person may oppose the petition. The patient, the patient's counsel, the county attorney of the committing county or the county of financial responsibility, and the executive board shall participate as parties to the proceeding pending before the judicial appeal panel and shall, except when the patient is committed solely as a person who has a mental illness and is dangerous to the public, no later than 20 days before the hearing on the petition, inform the judicial appeal panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position. The judicial appeal panel may appoint court examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, the patient's counsel, and the county attorney of the committing county or the county of financial responsibility have the right to be present and may present and cross-examine all witnesses and offer a factual and legal basis in support of their positions. The petitioning party seeking discharge or provisional discharge bears the burden of going forward

with the evidence, which means presenting a prima facie case with competent evidence to show that the person is entitled to the requested relief. If the petitioning party has met this burden, the party opposing discharge or provisional discharge bears the burden of proof by clear and convincing evidence that the discharge or provisional discharge should be denied. A party seeking transfer under section 253B.18, subdivision 6, must establish by a preponderance of the evidence that the transfer is appropriate.

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

Sec. 45. Minnesota Statutes 2024, section 253D.29, subdivision 1, is amended to read:

Subdivision 1. **Factors.** (a) A person who is committed as a sexually dangerous person or a person with a sexual psychopathic personality shall not be transferred out of a secure treatment facility unless the transfer is appropriate. Transfer may be to ~~other treatment programs~~ a facility under the control of the executive board.

(b) The following factors must be considered in determining whether a transfer is appropriate:

- (1) the person's clinical progress and present treatment needs;
- (2) the need for security to accomplish continuing treatment;
- (3) the need for continued institutionalization;
- (4) which ~~other treatment program~~ facility can best meet the person's needs; and
- (5) whether transfer can be accomplished with a reasonable degree of safety for the public.

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

Sec. 46. Minnesota Statutes 2024, section 253D.29, subdivision 2, is amended to read:

Subd. 2. **Voluntary readmission to a secure treatment facility.** (a) After a committed person has been transferred out of a secure treatment facility pursuant to subdivision 1 and with the consent of the executive director, a committed person may voluntarily return to a secure treatment facility for a period of up to 60 days.

(b) If the committed person is not returned to the ~~other treatment program~~ secure treatment facility to which the person was originally transferred pursuant to subdivision 1 within 60 days of being readmitted to a secure treatment facility under this subdivision, the transfer to the ~~other treatment program~~ secure treatment facility under subdivision 1 is revoked and the committed person shall remain in a secure treatment facility. The committed person shall immediately be notified in writing of the revocation.

(c) Within 15 days of receiving notice of the revocation, the committed person may petition the special review board for a review of the revocation. The special review board shall review the circumstances of the revocation and shall recommend to the judicial appeal panel whether or not the revocation shall be upheld. The special review board may also recommend a new transfer at the time of the revocation hearing.

(d) If the transfer has not been revoked and the committed person is to be returned to the ~~other treatment program facility~~ to which the committed person was originally transferred pursuant to subdivision 1 with no substantive change to the conditions of the transfer ordered pursuant to subdivision 1, no action by the special review board or judicial appeal panel is required.

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

Sec. 47. Minnesota Statutes 2024, section 253D.29, subdivision 3, is amended to read:

Subd. 3. **Revocation.** (a) The executive director may revoke a transfer made pursuant to subdivision 1 and require a committed person to return to a secure treatment facility if:

(1) remaining in a nonsecure setting will not provide a reasonable degree of safety to the committed person or others; or

(2) the committed person has regressed in clinical progress so that the ~~other treatment program facility~~ to which the committed person was transferred is no longer sufficient to meet the committed person's needs.

(b) Upon the revocation of the transfer, the committed person shall be immediately returned to a secure treatment facility. A report documenting reasons for revocation shall be issued by the executive director within seven days after the committed person is returned to the secure treatment facility. Advance notice to the committed person of the revocation is not required.

(c) The committed person must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a committed person under this section. The revocation report shall be served upon the committed person and the committed person's counsel. The report shall outline the specific reasons for the revocation including, but not limited to, the specific facts upon which the revocation is based.

(d) If a committed person's transfer is revoked, the committed person may re-petition for transfer according to section 253D.27.

(e) Any committed person aggrieved by a transfer revocation decision may petition the special review board within seven days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation report for a review of the revocation. The matter shall be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in subdivision 1, paragraph (b), shall recommend to the judicial appeal panel whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

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

Sec. 48. Minnesota Statutes 2024, section 253D.30, subdivision 4, is amended to read:

Subd. 4. **Voluntary readmission.** (a) With the consent of the executive director, a committed person may voluntarily return to ~~the Minnesota Sex Offender Program~~ a secure treatment facility from provisional discharge for a period of up to 60 days.

(b) If the committed person is not returned to provisional discharge status within 60 days of being readmitted to ~~the Minnesota Sex Offender Program~~ a secure treatment facility, the provisional discharge is revoked. The committed person shall immediately be notified of the revocation in writing. Within 15 days of receiving notice of the revocation, the committed person may request a review of the matter before the special review board. The special review board shall review the circumstances of the revocation and, after applying the standards in subdivision 5, paragraph (a), shall recommend to the judicial appeal panel whether or not the revocation shall be upheld. The board may recommend a return to provisional discharge status.

(c) If the provisional discharge has not been revoked and the committed person is to be returned to provisional discharge, ~~the Minnesota Sex Offender Program is not required to petition for a further review by the special review board~~ no action by the special review board or judicial appeal panel is required unless the committed person's return to the community results in substantive change to the existing provisional discharge plan.

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

Sec. 49. Minnesota Statutes 2024, section 253D.30, subdivision 5, is amended to read:

Subd. 5. **Revocation.** (a) The executive director may revoke a provisional discharge if either of the following grounds exist:

(1) the committed person has departed from the conditions of the provisional discharge plan;
or

(2) the committed person is exhibiting behavior which may be dangerous to self or others.

(b) The executive director may revoke the provisional discharge and, either orally or in writing, order that the committed person be immediately returned to a secure treatment facility ~~or other treatment program~~. A report documenting reasons for revocation shall be issued by the executive director within seven days after the committed person is returned to the secure treatment facility ~~or other treatment program~~. Advance notice to the committed person of the revocation is not required.

(c) The committed person must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a committed person under this section. The revocation report shall be served upon the committed person, the committed person's counsel, and the county attorneys of the county of commitment and the county of financial responsibility. The report shall outline the specific reasons for the revocation, including but not limited to the specific facts upon which the revocation is based.

(d) An individual who is revoked from provisional discharge must successfully re-petition the special review board and judicial appeal panel prior to being placed back on provisional discharge.

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

Sec. 50. Minnesota Statutes 2024, section 256.01, subdivision 2, is amended to read:

Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall carry out the specific duties in paragraphs (a) through (bb):

(a) Administer and supervise the forms of public assistance provided for by state law and other welfare activities or services that are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of children, youth, and families to carry out the duties of this paragraph when necessary and feasible.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(c) Administer and supervise all noninstitutional service to persons with disabilities, including persons who have vision impairments, and persons who are deaf, deafblind, and hard-of-hearing or with other disabilities. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals operated by the executive board when it is not feasible to provide the service in state hospitals operated by the executive board.

(d) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(e) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(f) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(g) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as developmentally disabled.

(h) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(i) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(j) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(k) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) According to federal requirements and in coordination with the commissioner of children, youth, and families, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for medical assistance in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. Disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for medical assistance. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).

(n) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) Have the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results

in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(r) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(s) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an outpatient setting and that are from manufacturers who have signed a rebate agreement with the United States Department of Health and Human Services.

(t) Have the authority to administer a supplemental drug rebate program for drugs purchased under the medical assistance program. The commissioner may enter into supplemental rebate contracts with pharmaceutical manufacturers and may require prior authorization for drugs that are

from manufacturers that have not signed a supplemental rebate contract. Prior authorization of drugs shall be subject to the provisions of section 256B.0625, subdivision 13.

(u) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(v) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(w) Designate community information and referral call centers and incorporate cost reimbursement claims from the designated community information and referral call centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Existing information and referral centers provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

(x) Develop recommended standards for adult foster care homes that address the components of specialized therapeutic services to be provided by adult foster care homes with those services.

(y) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(z) Designate the agencies that operate the Senior LinkAge Line under section 256.975, subdivision 7, and the Disability Hub under subdivision 24 as the state of Minnesota Aging and Disability Resource Center under United States Code, title 42, section 3001, the Older Americans

Act Amendments of 2006, and incorporate cost reimbursement claims from the designated centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement must be appropriated to the commissioner and treated consistent with section 256.011. All Aging and Disability Resource Center designated agencies shall receive payments of grant funding that supports the activity and generates the federal financial participation according to Board on Aging administrative granting mechanisms.

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

Sec. 51. Minnesota Statutes 2024, section 256.01, subdivision 5, is amended to read:

Subd. 5. **Gifts, contributions, pensions and benefits; acceptance.** The commissioner may receive and accept on behalf of patients and residents at the several state hospitals for persons with mental illness or developmental disabilities during the period of their hospitalization and while on provisional discharge therefrom, money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions or other such monetary benefits. Such gifts, contributions, pensions and benefits shall be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

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

Sec. 52. Minnesota Statutes 2024, section 256.019, subdivision 1, is amended to read:

Subdivision 1. **Retention rates.** When an assistance recovery amount is collected and posted by a county agency under the provisions governing public assistance programs including general assistance medical care formerly codified in chapter 256D, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery. For MinnesotaCare, if the recovery is collected and posted by the county agency, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the Department of Human Services' Surveillance and Utilization Review Division, ~~State Hospital Collections Unit~~, and the Benefit Recoveries Division ~~or, by the~~ Direct Care and Treatment State Hospital Collections Unit, the attorney general's office, or child support collections.

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

Sec. 53. Minnesota Statutes 2024, section 256.0281, is amended to read:

256.0281 INTERAGENCY DATA EXCHANGE.

(a) The Department of Human Services, the Department of Health, Direct Care and Treatment, and the Office of the Ombudsman for Mental Health and Developmental Disabilities may establish interagency agreements governing the electronic exchange of data on providers and individuals collected, maintained, or used by each agency when such exchange is outlined by each agency in an interagency agreement to accomplish the purposes in clauses (1) to (4):

(1) to improve provider enrollment processes for home and community-based services and state plan home care services;

(2) to improve quality management of providers between state agencies;

(3) to establish and maintain provider eligibility to participate as providers under Minnesota health care programs; or

(4) to meet the quality assurance reporting requirements under federal law under section 1915(c) of the Social Security Act related to home and community-based waiver programs.

(b) Each interagency agreement must include provisions to ensure anonymity of individuals, including mandated reporters, and must outline the specific uses of and access to shared data within each agency. Electronic interfaces between source data systems developed under these interagency agreements must incorporate these provisions as well as other HIPAA provisions related to individual data.

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

Sec. 54. Minnesota Statutes 2024, section 256.0451, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) The requirements in this section apply to all fair hearings and appeals under sections 142A.20, subdivision 2, and 256.045, subdivision 3, paragraph (a), clauses (1), (2), (3), (5), (6), (7), (10), and (12). Except as provided in subdivisions 3 and 19, the requirements under this section apply to fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (8), (9), and (11).

(b) For purposes of this section, "person" means an individual who, on behalf of themselves or their household, is appealing or disputing or challenging an action, a decision, or a failure to act, by an agency ~~in the human services system~~ subject to this section. When a person involved in a proceeding under this section is represented by an attorney or by an authorized representative, the term "person" also means the person's attorney or authorized representative. Any notice sent to the person involved in the hearing must also be sent to the person's attorney or authorized representative.

(c) For purposes of this section, "agency" means ~~the~~ a county human services agency, ~~the~~ a state ~~human services~~ agency, and, where applicable, any entity involved under a contract, subcontract, grant, or subgrant with the state agency or with a county agency, that provides or operates programs or services in which appeals are governed by section 256.045.

(d) For purposes of this section, "state agency" means the Department of Human Services; the Department of Health; the Department of Education; the Department of Children, Youth, and Families; or Direct Care and Treatment.

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

Sec. 55. Minnesota Statutes 2024, section 256.0451, subdivision 3, is amended to read:

Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), (9), and (10), the agency involved in an appeal must prepare a state agency appeal summary for each fair hearing appeal. The state agency appeal summary shall

be mailed or otherwise delivered to the person who is involved in the appeal at least three working days before the date of the hearing. The state agency appeal summary must also be mailed or otherwise delivered to the ~~department's~~ Department of Human Services' Appeals Office at least three working days before the date of the fair hearing appeal.

(b) In addition, the human services judge shall confirm that the state agency appeal summary is mailed or otherwise delivered to the person involved in the appeal as required under paragraph (a). The person involved in the fair hearing should be provided, through the state agency appeal summary or other reasonable methods, appropriate information about the procedures for the fair hearing and an adequate opportunity to prepare. These requirements apply equally to the state agency or an entity under contract when involved in the appeal.

(c) The contents of the state agency appeal summary must be adequate to inform the person involved in the appeal of the evidence on which the agency relies and the legal basis for the agency's action or determination.

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

Sec. 56. Minnesota Statutes 2024, section 256.0451, subdivision 6, is amended to read:

Subd. 6. **Appeal request for emergency assistance or urgent matter.** (a) When an appeal involves an application for emergency assistance, the agency involved shall mail or otherwise deliver the state agency appeal summary to the ~~department's~~ Department of Human Services' Appeals Office within two working days of receiving the request for an appeal. A person may also request that a fair hearing be held on an emergency basis when the issue requires an immediate resolution. The human services judge shall schedule the fair hearing on the earliest available date according to the urgency of the issue involved. Issuance of the recommended decision after an emergency hearing shall be expedited.

(b) The applicable commissioner or executive board shall issue a written decision within five working days of receiving the recommended decision, shall immediately inform the parties of the outcome by telephone, and shall mail the decision no later than two working days following the date of the decision.

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

Sec. 57. Minnesota Statutes 2024, section 256.0451, subdivision 8, is amended to read:

Subd. 8. **Subpoenas.** A person involved in a fair hearing or the agency may request a subpoena for a witness, for evidence, or for both. A reasonable number of subpoenas shall be issued to require the attendance and the testimony of witnesses, and the production of evidence relating to any issue of fact in the appeal hearing. The request for a subpoena must show a need for the subpoena and the general relevance to the issues involved. The subpoena shall be issued in the name of the Department of Human Services and shall be served and enforced as provided in section 357.22 and the Minnesota Rules of Civil Procedure.

An individual or entity served with a subpoena may petition the human services judge in writing to vacate or modify a subpoena. The human services judge shall resolve such a petition in a prehearing conference involving all parties and shall make a written decision. A subpoena may be vacated or

modified if the human services judge determines that the testimony or evidence sought does not relate with reasonable directness to the issues of the fair hearing appeal; that the subpoena is unreasonable, over broad, or oppressive; that the evidence sought is repetitious or cumulative; or that the subpoena has not been served reasonably in advance of the time when the appeal hearing will be held.

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

Sec. 58. Minnesota Statutes 2024, section 256.0451, subdivision 9, is amended to read:

Subd. 9. **No ex parte contact.** The human services judge shall not have ex parte contact on substantive issues with the agency or with any person or witness in a fair hearing appeal. No employee of ~~the Department or~~ an agency shall review, interfere with, change, or attempt to influence the recommended decision of the human services judge in any fair hearing appeal, except through the procedure allowed in subdivision 18. The limitations in this subdivision do not affect the applicable commissioner's or executive board's authority to review or reconsider decisions or make final decisions.

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

Sec. 59. Minnesota Statutes 2024, section 256.0451, subdivision 18, is amended to read:

Subd. 18. **Inviting comment by ~~department state agency~~.** The human services judge or the applicable commissioner or executive board may determine that a written comment by the ~~department state agency~~ about the policy implications of a specific legal issue could help resolve a pending appeal. Such a written policy comment from the ~~department state agency~~ shall be obtained only by a written request that is also sent to the person involved and to the agency or its representative. When such a written comment is received, both the person involved in the hearing and the agency shall have adequate opportunity to review, evaluate, and respond to the written comment, including submission of additional testimony or evidence, and cross-examination concerning the written comment.

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

Sec. 60. Minnesota Statutes 2024, section 256.0451, subdivision 22, is amended to read:

Subd. 22. **Decisions.** A timely, written decision must be issued in every appeal. Each decision must contain a clear ruling on the issues presented in the appeal hearing and should contain a ruling only on questions directly presented by the appeal and the arguments raised in the appeal.

(a) A written decision must be issued within 90 days of the date the person involved requested the appeal unless a shorter time is required by law. An additional 30 days is provided in those cases where the applicable commissioner or executive board refuses to accept the recommended decision. In appeals of maltreatment determinations or disqualifications filed pursuant to section 256.045, subdivision 3, paragraph (a), clause (4), (8), or (9), that also give rise to possible licensing actions, the 90-day period for issuing final decisions does not begin until the later of the date that the licensing authority provides notice to the appeals division that the authority has made the final determination in the matter or the date the appellant files the last appeal in the consolidated matters.

(b) The decision must contain both findings of fact and conclusions of law, clearly separated and identified. The findings of fact must be based on the entire record. Each finding of fact made by the human services judge shall be supported by a preponderance of the evidence unless a different standard is required under the regulations of a particular program. The "preponderance of the evidence" means, in light of the record as a whole, the evidence leads the human services judge to believe that the finding of fact is more likely to be true than not true. The legal claims or arguments of a participant do not constitute either a finding of fact or a conclusion of law, except to the extent the human services judge adopts an argument as a finding of fact or conclusion of law.

The decision shall contain at least the following:

- (1) a listing of the date and place of the hearing and the participants at the hearing;
- (2) a clear and precise statement of the issues, including the dispute under consideration and the specific points which must be resolved in order to decide the case;
- (3) a listing of the material, including exhibits, records, reports, placed into evidence at the hearing, and upon which the hearing decision is based;
- (4) the findings of fact based upon the entire hearing record. The findings of fact must be adequate to inform the participants and any interested person in the public of the basis of the decision. If the evidence is in conflict on an issue which must be resolved, the findings of fact must state the reasoning used in resolving the conflict;
- (5) conclusions of law that address the legal authority for the hearing and the ruling, and which give appropriate attention to the claims of the participants to the hearing;
- (6) a clear and precise statement of the decision made resolving the dispute under consideration in the hearing; and
- (7) written notice of the right to appeal to district court or to request reconsideration, and of the actions required and the time limits for taking appropriate action to appeal to district court or to request a reconsideration.

(c) The human services judge shall not independently investigate facts or otherwise rely on information not presented at the hearing. The human services judge may not contact other agency personnel, except as provided in subdivision 18. The human services judge's recommended decision must be based exclusively on the testimony and evidence presented at the hearing, and legal arguments presented, and the human services judge's research and knowledge of the law.

(d) The applicable commissioner ~~will~~ or executive board must review the recommended decision and accept or refuse to accept the decision according to section 142A.20, subdivision 3, or 256.045, subdivision 5 or 5a.

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

Sec. 61. Minnesota Statutes 2024, section 256.0451, subdivision 23, is amended to read:

Subd. 23. **Refusal to accept recommended orders.** (a) If the applicable commissioner or executive board refuses to accept the recommended order from the human services judge, the person

involved, the person's attorney or authorized representative, and the agency shall be sent a copy of the recommended order, a detailed explanation of the basis for refusing to accept the recommended order, and the proposed modified order.

(b) The person involved and the agency shall have at least ten business days to respond to the proposed modification of the recommended order. The person involved and the agency may submit a legal argument concerning the proposed modification, and may propose to submit additional evidence that relates to the proposed modified order.

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

Sec. 62. Minnesota Statutes 2024, section 256.0451, subdivision 24, is amended to read:

Subd. 24. **Reconsideration.** (a) Reconsideration may be requested within 30 days of the date of the applicable commissioner's or executive board's final order. If reconsideration is requested under section 142A.20, subdivision 3, or 256.045, subdivision 5 or 5a, the other participants in the appeal shall be informed of the request. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and may include proposed additional evidence supporting the request. The other participants shall be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond.

(b) When the requesting party raises a question as to the appropriateness of the findings of fact, the applicable commissioner or executive board shall review the entire record.

(c) When the requesting party questions the appropriateness of a conclusion of law, the applicable commissioner or executive board shall consider the recommended decision, the decision under reconsideration, and the material submitted in connection with the reconsideration. The applicable commissioner or executive board shall review the remaining record as necessary to issue a reconsidered decision.

(d) The applicable commissioner or executive board shall issue a written decision on reconsideration in a timely fashion. The decision must clearly inform the parties that this constitutes the final administrative decision, advise the participants of the right to seek judicial review, and the deadline for doing so.

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

Sec. 63. Minnesota Statutes 2024, section 256.4825, is amended to read:

256.4825 REPORT REGARDING PROGRAMS AND SERVICES FOR PEOPLE WITH DISABILITIES.

The Minnesota State Council on Disability, the Minnesota Consortium for Citizens with Disabilities, and the Arc of Minnesota may submit an annual report by January 15 of each year, beginning in 2012, to the chairs and ranking minority members of the legislative committees with jurisdiction over programs serving people with disabilities as provided in this section. The report must describe the existing state policies and goals for programs serving people with disabilities including, but not limited to, programs for employment, transportation, housing, education, quality

assurance, consumer direction, physical and programmatic access, and health. The report must provide data and measurements to assess the extent to which the policies and goals are being met. The commissioner of human services, the Direct Care and Treatment executive board, and the commissioners of other state agencies administering programs for people with disabilities shall cooperate with the Minnesota State Council on Disability, the Minnesota Consortium for Citizens with Disabilities, and the Arc of Minnesota and provide those organizations with existing published information and reports that will assist in the preparation of the report.

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

Sec. 64. Minnesota Statutes 2024, section 256.93, subdivision 1, is amended to read:

Subdivision 1. **Limitations.** In any case where the guardianship of any child with a developmental disability or who is disabled, dependent, neglected or delinquent, or a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born, has been ~~committed~~ appointed to the commissioner of human services, and in any case where the guardianship of any person with a developmental disability has been ~~committed~~ appointed to the commissioner of human services, the court having jurisdiction of the estate may on such notice as the court may direct, authorize the commissioner to take possession of the personal property in the estate, liquidate it, and hold the proceeds in trust for the ward, to be invested, expended and accounted for as provided by sections 256.88 to 256.92.

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

Sec. 65. Minnesota Statutes 2024, section 256.98, subdivision 7, is amended to read:

Subd. 7. **Division of recovered amounts.** Except for recoveries under chapter 142E, if the state is responsible for the recovery, the amounts recovered shall be paid to the appropriate units of government. If the recovery is directly attributable to a county, the county may retain one-half of the nonfederal share of any recovery from a recipient or the recipient's estate.

This subdivision does not apply to recoveries from medical providers or to recoveries involving the Department of Human ~~services, Services'~~ Services' Surveillance and Utilization Review Division, ~~state hospital collections unit, and the Benefit Recoveries Division or the Direct Care and Treatment State Hospital Collections Unit.~~

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

Sec. 66. Minnesota Statutes 2024, section 256B.092, subdivision 10, is amended to read:

Subd. 10. **Admission of persons to and discharge of persons from regional treatment centers.**
(a) Prior to the admission of a person to a regional treatment center program for persons with developmental disabilities, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

(b) Assessment and support planning must be completed in accordance with requirements identified in section 256B.0911.

(c) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the ~~commissioner~~ Direct Care and Treatment executive board is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045.

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

Sec. 67. Minnesota Statutes 2024, section 256G.09, subdivision 4, is amended to read:

Subd. 4. **Appeals.** A local agency that is aggrieved by the order of ~~the~~ a department or the executive board may appeal the opinion to the district court of the county responsible for furnishing assistance or services by serving a written copy of a notice of appeal on ~~the~~ a commissioner or the executive board and any adverse party of record within 30 days after the date the department issued the opinion, and by filing the original notice and proof of service with the court administrator of district court. Service may be made personally or by mail. Service by mail is complete upon mailing.

~~The~~ A commissioner or the executive board may elect to become a party to the proceedings in district court. The court may consider the matter in or out of chambers and shall take no new or additional evidence.

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

Sec. 68. Minnesota Statutes 2024, section 256G.09, subdivision 5, is amended to read:

Subd. 5. **Payment pending appeal.** After ~~the~~ a department or the executive board issues an opinion in any submission under this section, the service or assistance covered by the submission must be provided or paid pending or during an appeal to the district court.

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

Sec. 69. Minnesota Statutes 2024, section 299F.77, subdivision 2, is amended to read:

Subd. 2. **Background check.** (a) For licenses issued by the commissioner under section 299F.73, the applicant for licensure must provide the commissioner with all of the information required by Code of Federal Regulations, title 28, section 25.7. The commissioner shall forward the information to the superintendent of the Bureau of Criminal Apprehension so that criminal records, histories, and warrant information on the applicant can be retrieved from the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by ~~the Department of Human Services~~ Direct Care and Treatment. The results must be returned to the commissioner to determine if the individual applicant is qualified to receive a license.

(b) For permits issued by a county sheriff or chief of police under section 299F.75, the applicant for a permit must provide the county sheriff or chief of police with all of the information required by Code of Federal Regulations, title 28, section 25.7. The county sheriff or chief of police must check, by means of electronic data transfer, criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by ~~the Department~~

~~of Human Services~~ Direct Care and Treatment. The county sheriff or chief of police shall use the results of the query to determine if the individual applicant is qualified to receive a permit.

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

Sec. 70. Minnesota Statutes 2024, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings

to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

- (1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;
- (2) provide market stability;
- (3) ensure a competitive market; and
- (4) limit the sale of unregulated cannabis flower and cannabis products.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

- (1) the status of the regulated cannabis industry;
- (2) the status of the illicit cannabis market and hemp consumer industry;
- (3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;
- (4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;
- (5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;
- (6) the status of racial and geographic diversity in the cannabis industry;
- (7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;
- (8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and
- (9) recommendations for the levels of funding for:
 - (i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;
 - (ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development in social equity communities through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection canines; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

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

Sec. 71. Minnesota Statutes 2024, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Direct Care and Treatment personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) in the state-operated forensic services program or the Minnesota Sex Offender Program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the ~~commissioner of human services~~ or Direct Care and Treatment executive board.

(b) The employment positions are:

(1) baker;

(2) behavior analyst 2;

- (3) behavior analyst 3;
- (4) certified occupational therapy assistant 1;
- (5) certified occupational therapy assistant 2;
- (6) client advocate;
- (7) clinical program therapist 2;
- (8) clinical program therapist 3;
- (9) clinical program therapist 4;
- (10) cook;
- (11) culinary supervisor;
- (12) customer services specialist principal;
- (13) dental assistant registered;
- (14) dental hygienist;
- (15) food service worker;
- (16) food services supervisor;
- (17) group supervisor;
- (18) group supervisor assistant;
- (19) human services support specialist;
- (20) licensed alcohol and drug counselor;
- (21) licensed practical nurse;
- (22) management analyst 3;
- (23) music therapist;
- (24) occupational therapist;
- (25) occupational therapist, senior;
- (26) physical therapist;
- (27) psychologist 1;
- (28) psychologist 2;

- (29) psychologist 3;
- (30) recreation program assistant;
- (31) recreation therapist lead;
- (32) recreation therapist senior;
- (33) rehabilitation counselor senior;
- (34) residential program lead;
- (35) security supervisor;
- (36) skills development specialist;
- (37) social worker senior;
- (38) social worker specialist;
- (39) social worker specialist, senior;
- (40) special education program assistant;
- (41) speech pathology clinician;
- (42) substance use disorder counselor senior;
- (43) work therapy assistant; and
- (44) work therapy program coordinator.

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

Sec. 72. Minnesota Statutes 2024, section 401.17, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 19 members as follows:

- (1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;
- (2) two probation directors appointed by the Minnesota Association of County Probation Officers;
- (3) three county commissioner representatives appointed by the Association of Minnesota Counties;
- (4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the ~~Department of Human Services~~ Direct

Care and Treatment executive board and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) two commissioner-appointed representatives from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties;

(9) an advocate for victims of crime appointed by the commissioner; and

(10) a representative from a community-based research and advocacy entity appointed by the commissioner.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) Chapter 15 applies to the extent consistent with this section.

(d) The commissioner must convene the first meeting of the committee on or before October 1, 2023.

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

Sec. 73. Minnesota Statutes 2024, section 507.071, subdivision 1, is amended to read:

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

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins

in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency or Direct Care and Treatment or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

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

Sec. 74. Minnesota Statutes 2024, section 611.57, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The Certification Advisory Committee consists of the following members:

(1) a mental health professional, as defined in section 245I.02, subdivision 27, with community behavioral health experience, appointed by the governor;

(2) a board-certified forensic psychiatrist with experience in competency evaluations, providing competency attainment services, or both, appointed by the governor;

(3) a board-certified forensic psychologist with experience in competency evaluations, providing competency attainment services, or both, appointed by the governor;

(4) the president of the Minnesota Corrections Association or a designee;

(5) the Direct Care and Treatment ~~deputy commissioner~~ chief executive officer or a designee;

(6) the president of the Minnesota Association of County Social Service Administrators or a designee;

(7) the president of the Minnesota Association of Community Mental Health Providers or a designee;

(8) the president of the Minnesota Sheriffs' Association or a designee; and

(9) the executive director of the National Alliance on Mental Illness Minnesota or a designee.

(b) Members of the advisory committee serve without compensation and at the pleasure of the appointing authority. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

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

Sec. 75. Minnesota Statutes 2024, section 611.57, subdivision 4, is amended to read:

Subd. 4. **Duties.** The Certification Advisory Committee shall consult with the Department of Human Services, the Department of Health, ~~and~~ the Department of Corrections, and Direct Care and Treatment; make recommendations to the Minnesota Competency Attainment Board regarding competency attainment curriculum, certification requirements for competency attainment programs including jail-based programs, and certification of individuals to provide competency attainment services; and provide information and recommendations on other issues relevant to competency attainment as requested by the board.

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

Sec. 76. Minnesota Statutes 2024, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. **Information.** Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1; and

(4) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

The statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

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

Sec. 77. Minnesota Statutes 2024, section 624.7131, subdivision 2, is amended to read:

Subd. 2. **Investigation.** The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15.

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

Sec. 78. Minnesota Statutes 2024, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. **Required information.** Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the proposed transferee resides or to the appropriate county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;

(4) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(5) the address of the place of business of the transferor.

The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

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

Sec. 79. Minnesota Statutes 2024, section 624.7132, subdivision 2, is amended to read:

Subd. 2. **Investigation.** Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a

reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15.

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

Sec. 80. Minnesota Statutes 2024, section 624.714, subdivision 3, is amended to read:

Subd. 3. **Form and contents of application.** (a) Applications for permits to carry must be an official, standardized application form, adopted under section 624.7151, and must set forth in writing only the following information:

(1) the applicant's name, residence, telephone number, if any, and driver's license number or state identification card number;

(2) the applicant's sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any;

(3) the township or statutory city or home rule charter city, and county, of all Minnesota residences of the applicant in the last five years, though not including specific addresses;

(4) the township or city, county, and state of all non-Minnesota residences of the applicant in the last five years, though not including specific addresses;

(5) a statement that the applicant authorizes the release to the sheriff of commitment information about the applicant maintained by the ~~commissioner of human services~~ Direct Care and Treatment executive board or any similar agency or department of another state where the applicant has resided, to the extent that the information relates to the applicant's eligibility to possess a firearm; and

(6) a statement by the applicant that, to the best of the applicant's knowledge and belief, the applicant is not prohibited by law from possessing a firearm.

(b) The statement under paragraph (a), clause (5), must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

(c) An applicant must submit to the sheriff an application packet consisting only of the following items:

(1) a completed application form, signed and dated by the applicant;

(2) an accurate photocopy of the certificate described in subdivision 2a, paragraph (c), that is submitted as the applicant's evidence of training in the safe use of a pistol; and

(3) an accurate photocopy of the applicant's current driver's license, state identification card, or the photo page of the applicant's passport.

(d) In addition to the other application materials, a person who is otherwise ineligible for a permit due to a criminal conviction but who has obtained a pardon or expungement setting aside

the conviction, sealing the conviction, or otherwise restoring applicable rights, must submit a copy of the relevant order.

(e) Applications must be submitted in person.

(f) The sheriff may charge a new application processing fee in an amount not to exceed the actual and reasonable direct cost of processing the application or \$100, whichever is less. Of this amount, \$10 must be submitted to the commissioner and deposited into the general fund.

(g) This subdivision prescribes the complete and exclusive set of items an applicant is required to submit in order to apply for a new or renewal permit to carry. The applicant must not be asked or required to submit, voluntarily or involuntarily, any information, fees, or documentation beyond that specifically required by this subdivision. This paragraph does not apply to alternate training evidence accepted by the sheriff under subdivision 2a, paragraph (d).

(h) Forms for new and renewal applications must be available at all sheriffs' offices and the commissioner must make the forms available on the Internet.

(i) Application forms must clearly display a notice that a permit, if granted, is void and must be immediately returned to the sheriff if the permit holder is or becomes prohibited by law from possessing a firearm. The notice must list the applicable state criminal offenses and civil categories that prohibit a person from possessing a firearm.

(j) Upon receipt of an application packet and any required fee, the sheriff must provide a signed receipt indicating the date of submission.

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

Sec. 81. Minnesota Statutes 2024, section 624.714, subdivision 4, is amended to read:

Subd. 4. **Investigation.** (a) The sheriff must check, by means of electronic data transfer, criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System and the National Instant Criminal Background Check System. The sheriff shall also make a reasonable effort to check other available and relevant federal, state, or local record-keeping systems. The sheriff must obtain commitment information from the ~~commissioner of human services~~ Direct Care and Treatment executive board as provided in section 246C.15 or, if the information is reasonably available, as provided by a similar statute from another state.

(b) When an application for a permit is filed under this section, the sheriff must notify the chief of police, if any, of the municipality where the applicant resides. The police chief may provide the sheriff with any information relevant to the issuance of the permit.

(c) The sheriff must conduct a background check by means of electronic data transfer on a permit holder through the Minnesota Crime Information System and the National Instant Criminal Background Check System at least yearly to ensure continuing eligibility. The sheriff may also conduct additional background checks by means of electronic data transfer on a permit holder at any time during the period that a permit is in effect.

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

Sec. 82. Minnesota Statutes 2024, section 631.40, subdivision 3, is amended to read:

Subd. 3. **Departments of Human Services; Children, Youth, and Families; and Health licensees.** When a person who is affiliated with a program or facility governed or licensed by Direct Care and Treatment; the Department of Human Services; Department of Children, Youth, and Families; or Department of Health is convicted of a disqualifying crime, the probation officer or corrections agent shall notify the commissioner of the conviction, as provided in chapter 245C.

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

Sec. 83. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 252.50, subdivision 5, as Minnesota Statutes, section 246C.11, subdivision 4a.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 252.52, as Minnesota Statutes, section 246C.191.

(c) The revisor of statutes shall make necessary cross-reference changes consistent with the renumbering in this section.

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

Sec. 84. **REPEALER.**

(a) Minnesota Statutes 2024, sections 245.4862; 246.015, subdivision 3; 246.50, subdivision 2; and 246B.04, subdivision 1a, are repealed.

(b) Laws 2024, chapter 79, article 1, sections 15; 16; and 17, are repealed.

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

ARTICLE 4

SUBSTANCE USE DISORDER TREATMENT SERVICES POLICY

Section 1. Minnesota Statutes 2024, section 4.046, subdivision 2, is amended to read:

Subd. 2. **Subcabinet membership.** The subcabinet consists of the following members:

- (1) the commissioner of human services;
- (2) the commissioner of health;
- (3) the commissioner of education;
- (4) the commissioner of public safety;
- (5) the commissioner of corrections;
- (6) the commissioner of management and budget;

(7) the commissioner of higher education;

(8) the commissioner of children, youth, and families;

(9) the chief executive officer of direct care and treatment;

(10) the commissioner of commerce;

(11) the director of the Office of Cannabis Management;

~~(8)~~ (12) the chair of the Interagency Council on Homelessness; and

~~(9)~~ (13) the governor's director of addiction and recovery, who shall serve as chair of the subcabinet.

Sec. 2. Minnesota Statutes 2024, section 4.046, subdivision 3, is amended to read:

Subd. 3. **Policy and strategy development.** The subcabinet must engage in the following duties related to the development of opioid use, substance use, and addiction policy and strategy:

(1) identify challenges and opportunities that exist relating to accessing treatment and support services and develop recommendations to overcome these barriers for all Minnesotans;

(2) with input from affected communities, develop policies and strategies that will reduce barriers and gaps in service for all Minnesotans seeking treatment for opioid or substance use disorder, particularly for those Minnesotans who are members of communities disproportionately impacted by substance use and addiction;

(3) develop policies and strategies that the state may adopt to expand Minnesota's recovery infrastructure, including detoxification or withdrawal management facilities, treatment facilities, and sober housing;

(4) identify innovative services and strategies for effective treatment and support;

(5) develop policies and strategies to expand services and support for people in Minnesota suffering from opioid or substance use disorder through partnership with the Opioid Epidemic Response Advisory Council and other relevant partnerships;

(6) develop policies and strategies for agencies to manage addiction and the relationship it has with co-occurring conditions;

(7) identify policies and strategies to address opioid or substance use disorder among Minnesotans experiencing homelessness; ~~and~~

(8) submit recommendations to the legislature addressing opioid use, substance use, and addiction in Minnesota; and

(9) develop and publish a comprehensive substance use and addiction plan for the state. The plan must establish goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies' operating programs related to substance

use prevention, harm reduction, treatment, or recovery or that are administering state or federal funds for those programs shall set program goals and priorities in accordance with the state plan. Each state agency shall submit its relevant plans and budgets to the subcabinet for review upon request.

Sec. 3. Minnesota Statutes 2024, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** (a) A comprehensive assessment of the client's substance use disorder must be administered face-to-face ~~by an alcohol and drug counselor~~ within five calendar days from the day of service initiation for a residential program or by the end of the fifth day on which a treatment service is provided in a nonresidential program. The number of days to complete the comprehensive assessment excludes the day of service initiation.

(b) A comprehensive assessment must be administered by:

(1) an alcohol and drug counselor;

(2) a mental health professional who meets the qualifications under section 245I.04, subdivision 2; practices within the scope of their professional licensure; and has at least 12 hours of training in substance use disorder and treatment;

(3) a clinical trainee who meets the qualifications under section 245I.04, subdivision 6, practicing under the supervision of a mental health professional who meets the requirements of clause (2); or

(4) an advanced practice registered nurse as defined in section 148.171, subdivision 3, who practices within the scope of their professional licensure and has at least 12 hours of training in substance use disorder and treatment.

(c) If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, ~~an alcohol and drug counselor~~ a staff member qualified under paragraph (b) may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~An alcohol and drug counselor~~ A staff member qualified under paragraph (b) must sign and date the comprehensive assessment review and update.

Sec. 4. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) ~~has successfully completed 30 hours of classroom instruction on treatment coordination for an individual with substance use disorder~~ specific training on substance use disorder and co-occurring disorders that is consistent with national evidence-based practices; and

(4) ~~has either~~ meets one of the following criteria:

(i) has a bachelor's degree in one of the behavioral sciences or related fields and at least 1,000 hours of supervised experience working with individuals with substance use disorder; or

(ii) has current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders; and or

(iii) is a mental health practitioner who meets the qualifications under section 245I.04, subdivision 4.

~~(5) has at least 2,000 hours of supervised experience working with individuals with substance use disorder.~~

(b) A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.

Sec. 5. Minnesota Statutes 2024, section 254A.03, subdivision 1, is amended to read:

Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an Alcohol and Other Drug Abuse Section in the Department of Human Services. This section shall be headed by a director. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. The section shall:

(1) conduct and foster basic research relating to the cause, prevention and methods of diagnosis, treatment and recovery of persons with substance misuse and substance use disorder;

~~(2) coordinate and review all activities and programs of all the various state departments as they relate to problems associated with substance misuse and substance use disorder;~~

~~(3) (2)~~ (2) develop, demonstrate, and disseminate new methods and techniques for prevention, early intervention, treatment and recovery support for substance misuse and substance use disorder;

~~(4) (3)~~ (3) gather facts and information about substance misuse and substance use disorder, and about the efficiency and effectiveness of prevention, treatment, and recovery support services from all comprehensive programs, including programs approved or licensed by the commissioner of human services or the commissioner of health or accredited by the Joint Commission on Accreditation of Hospitals. The state authority is authorized to require information from comprehensive programs which is reasonable and necessary to fulfill these duties. When required information has been previously furnished to a state or local governmental agency, the state authority shall collect the information from the governmental agency. The state authority shall disseminate facts and summary information about problems associated with substance misuse and substance use disorder to public

and private agencies, local governments, local and regional planning agencies, and the courts for guidance to and assistance in prevention, treatment and recovery support;

~~(5)~~ (4) inform and educate the general public on substance misuse and substance use disorder;

~~(6)~~ (5) serve as the state authority concerning substance misuse and substance use disorder by monitoring the conduct of diagnosis and referral services, research and comprehensive programs. The state authority shall submit a biennial report to the governor containing a description of public services delivery and recommendations concerning increase of coordination and quality of services, and decrease of service duplication and cost;

~~(7) establish a state plan which shall set forth goals and priorities for a comprehensive continuum of care for substance misuse and substance use disorder for Minnesota. All state agencies operating substance misuse or substance use disorder programs or administering state or federal funds for such programs shall annually set their program goals and priorities in accordance with the state plan. Each state agency shall annually submit its plans and budgets to the state authority for review. The state authority shall certify whether proposed services comply with the comprehensive state plan and advise each state agency of review findings;~~

~~(8)~~ (6) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using federal funds, and state funds as authorized to pay for costs of state administration, including evaluation, statewide programs and services, research and demonstration projects, and American Indian programs;

~~(9)~~ (7) receive and administer money available for substance misuse and substance use disorder programs under the alcohol, drug abuse, and mental health services block grant, United States Code, title 42, sections 300X to 300X-9;

~~(10)~~ (8) solicit and accept any gift of money or property for purposes of Laws 1973, chapter 572, and any grant of money, services, or property from the federal government, the state, any political subdivision thereof, or any private source; and

~~(11)~~ (9) with respect to substance misuse and substance use disorder programs serving the American Indian community, establish guidelines for the employment of personnel with considerable practical experience in substance misuse and substance use disorder, and understanding of social and cultural problems related to substance misuse and substance use disorder, in the American Indian community.

Sec. 6. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment provided according to section 254A.19, subdivision 3, and treatment

services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 254A.19, subdivision 3. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets the requirements of clauses (1) to ~~(14)~~ (15) and meets certification or accreditation requirements of the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification or accreditation on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff training, service offerings, advocacy efforts, and culturally informed outreach and services;

(9) use recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma;

(10) establish and maintain a publicly available recovery community organization code of ethics and grievance policy and procedures;

(11) not classify or treat any recovery peer hired on or after July 1, 2024, as an independent contractor;

(12) not classify or treat any recovery peer as an independent contractor on or after January 1, 2025;

(13) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services; ~~and~~

(14) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities." The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint; and

(15) comply with the requirements of section 245A.04, subdivision 15a.

(e) A recovery community organization approved by the commissioner before June 30, 2023, must have begun the application process as required by an approved certifying or accrediting entity and have begun the process to meet the requirements under paragraph (d) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(f) A recovery community organization that is aggrieved by an accreditation, certification, or membership determination and believes it meets the requirements under paragraph (d) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (14), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community

organization meets the requirements under paragraph (d), the recovery community organization is an eligible vendor of peer recovery support services.

(g) All recovery community organizations must be certified or accredited by an entity listed in paragraph (d) by June 30, 2025.

(h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 254A.19, subdivision 3, and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

(j) Any complaints about a recovery community organization or peer recovery support services may be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities under sections 245.91 and 245.94.

Sec. 7. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:

(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);

(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);

(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);

(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);

(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5). The commissioner shall use the base payment rate of \$79.84 per day for services provided under this item;

(vi) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled treatment services each

week. The commissioner shall use the base payment rate of \$166.13 per day for services provided under this item;

(vii) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6). The commissioner shall use the specified base payment rate of \$224.06 per day for services provided under this item; and

(viii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7). The commissioner shall use the specified base payment rate of \$224.06 per day for services provided under this item;

(2) comprehensive assessments provided according to section 254A.19, subdivision 3;

(3) treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) withdrawal management services provided according to chapter 245F;

(6) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to 144.56;

(7) substance use disorder treatment services with medications for opioid use disorder provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or under an applicable Tribal license;

(8) medium-intensity residential treatment services that provide 15 hours of skilled treatment services each week and are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license;

(9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable Tribal license;

(10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(11) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to one hour per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) the program employs a mental health professional as defined in section 245I.04, subdivision 2;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission, excluding weekends and holidays;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (5), items (i) to (iv).

(f) Substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

(j) A license holder that is unable to provide all residential treatment services because a client missed services remains eligible to bill for the client's intensity level of services under this paragraph if the license holder can document the reason the client missed services and the interventions done to address the client's absence.

(k) Hours in a treatment week may be reduced in observance of federally recognized holidays.

(l) Eligible vendors of peer recovery support services must:

(1) submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and

(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

(m) Peer recovery support services not provided in accordance with section 254B.052 are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 8. **[256G.061] WITHDRAWAL MANAGEMENT SERVICES.**

The county of financial responsibility for withdrawal management services is defined in section 256G.02, subdivision 4.

ARTICLE 5

MISCELLANEOUS POLICY

Section 1. Minnesota Statutes 2024, section 62Q.75, subdivision 3, is amended to read:

Subd. 3. **Claims filing.** (a) Unless otherwise provided by contract, by section 16A.124, subdivision 4a, or by federal law, the health care providers and facilities specified in subdivision 2 must submit their charges to a health plan company or third-party administrator within six months from the date of service or the date the health care provider knew or was informed of the correct name and address of the responsible health plan company or third-party administrator, whichever is later.

(b) A health care provider or facility that does not make an initial submission of charges within the six-month period in paragraph (a), the 12-month period in paragraph (c), or the additional six-month period in paragraph (d) shall not be reimbursed for the charge and may not collect the charge from the recipient of the service or any other payer.

(c) The six-month submission requirement in paragraph (a) may be extended to 12 months in cases where a health care provider or facility specified in subdivision 2 has determined and can substantiate that it has experienced a significant disruption to normal operations that materially affects the ability to conduct business in a normal manner and to submit claims on a timely basis.

(d) The six-month submission requirement in paragraph (a) may be extended an additional six months if a health plan company or third-party administrator makes any adjustment or recoupment of payment. The additional six months begins on the date the health plan company or third-party administrator adjusts or recoups the payment.

(e) Any request by a health care provider or facility specified in subdivision 2 for an exception to a contractually defined claims submission timeline must be reviewed and acted upon by the health plan company within the same time frame as the contractually agreed upon claims filing timeline.

(f) This subdivision also applies to all health care providers and facilities that submit charges to workers' compensation payers for treatment of a workers' compensation injury compensable under chapter 176, or to reparation obligors for treatment of an injury compensable under chapter 65B."

Delete the title and insert:

"A bill for an act relating to human services; modifying policy provisions relating to aging and disability services, the Department of Health, Direct Care and Treatment, substance use disorder treatment services, and certain health insurance claims; amending Minnesota Statutes 2024, sections 4.046, subdivisions 2, 3; 13.46, subdivisions 3, 4; 15.471, subdivision 6; 43A.241; 62J.495, subdivision 2; 62Q.75, subdivision 3; 97A.441, subdivision 3; 144.0724, subdivisions 2, 3a, 4, 8, 9, 11; 144.53; 144.586, subdivision 2; 144.6502, subdivision 3; 144.651, subdivisions 2, 4, 20, 31, 32; 144.6512, subdivision 3, by adding a subdivision; 144A.04, by adding a subdivision; 144A.07; 144A.08, by adding a subdivision; 144A.70, subdivisions 3, 7, by adding subdivisions; 144A.751, subdivision 1; 144G.08, by adding subdivisions; 144G.10, subdivisions 1, 1a, 5; 144G.16, subdivision 3; 144G.45, by adding a subdivision; 144G.51; 144G.52, by adding a subdivision; 144G.53; 144G.70, subdivision 2; 144G.71, subdivisions 3, 5; 144G.81, subdivisions 1, 5; 144G.92, subdivision 2, by adding a subdivision; 145C.07, by adding a subdivision; 145C.10; 146A.08, subdivision 4; 147.091, subdivision 6; 147A.13, subdivision 6; 148.10, subdivision 1; 148.261, subdivision 5; 148.754; 148B.5905; 148F.09, subdivision 6; 150A.08, subdivision 6; 151.071, subdivision 10; 153.21, subdivision 2; 153B.70; 168.012, subdivision 1; 244.052, subdivision 4; 245.50, subdivision 2; 245.91, subdivision 2; 245D.10, by adding a subdivision; 245G.05, subdivision 1; 245G.11,

subdivision 7; 246.585; 246C.06, subdivision 11; 246C.12, subdivision 6; 246C.20; 252.28, subdivision 2; 252.291, subdivision 3; 252.41, subdivision 3; 252.42; 252.43; 252.44; 252.45; 252.46, subdivision 1a; 252.50, subdivision 5; 253B.07, subdivision 2b; 253B.09, subdivision 3a; 253B.10, subdivision 1; 253B.141, subdivision 2; 253B.18, subdivision 6; 253B.19, subdivision 2; 253D.29, subdivisions 1, 2, 3; 253D.30, subdivisions 4, 5; 254A.03, subdivision 1; 254B.05, subdivisions 1, 5; 256.01, subdivisions 2, 5; 256.019, subdivision 1; 256.0281; 256.0451, subdivisions 1, 3, 6, 8, 9, 18, 22, 23, 24; 256.4825; 256.93, subdivision 1; 256.98, subdivision 7; 256B.0911, subdivision 24, by adding subdivisions; 256B.092, subdivisions 1a, 10, 11a; 256B.49, subdivisions 13, 29; 256B.4914, subdivisions 10a, 10d, 17; 256G.09, subdivisions 4, 5; 256R.38; 256R.40, subdivision 5; 299F.77, subdivision 2; 342.04; 352.91, subdivision 3f; 401.17, subdivision 1; 507.071, subdivision 1; 611.57, subdivisions 2, 4; 624.7131, subdivisions 1, 2; 624.7132, subdivisions 1, 2; 624.714, subdivisions 3, 4; 631.40, subdivision 3; Laws 2021, First Special Session chapter 7, article 13, sections 73; 75, subdivisions 1, as amended, 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended; proposing coding for new law in Minnesota Statutes, chapters 144A; 144G; 246C; 253B; 256G; repealing Minnesota Statutes 2024, sections 144G.9999, subdivisions 1, 2, 3; 245.4862; 246.015, subdivision 3; 246.50, subdivision 2; 246B.04, subdivision 1a; Laws 2024, chapter 79, article 1, sections 15; 16; 17."

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

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

S.F. No. 1959: A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying accreditation and disclosure requirements for providers of veterans benefits services to veterans and veterans' families; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; requiring reports; appropriating money; amending Minnesota Statutes 2024, section 197.6091, subdivision 4, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 197.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

MILITARY AFFAIRS AND VETERANS AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS**Available for the Year****Ending June 30****2026****2027**Sec. 2. **MILITARY AFFAIRS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>26,872,000</u>	<u>\$</u>	<u>27,081,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Maintenance of Training Facilities</u>	<u>10,067,000</u>	<u>10,067,000</u>
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<u>Subd. 3. General Support</u>	<u>4,391,000</u>	<u>4,600,000</u>
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<u>Subd. 4. Enlistment Incentives</u>	<u>12,114,000</u>	<u>12,114,000</u>
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The appropriations in this subdivision are available until June 30, 2029.

If the amount for fiscal year 2026 is insufficient, the amount for 2027 is available in fiscal year 2026. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

<u>Subd. 5. Emergency Services</u>	<u>300,000</u>	<u>300,000</u>
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Sec. 3. **VETERANS AFFAIRS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>141,929,000</u>	<u>\$</u>	<u>146,700,000</u>
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The base for this appropriation is \$151,130,000 in fiscal year 2028 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Veterans Programs and Services</u>	<u>30,677,000</u>	<u>31,080,000</u>
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The amounts that may be spent for each purpose are specified in the following paragraphs.

(a) State Veterans Cemeteries. \$3,782,000 each year is for the operation of the state veterans cemeteries.

(b) **Veterans Service Organizations.** \$500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,610,000 each year is for the County Veterans Service Office grant program under Minnesota Statutes, section 197.608. Of this amount, \$20,000 is for a women veterans technical assistance coordinator, \$20,000 is for a veteran suicide prevention technical assistance coordinator, and \$20,000 is for a justice-involved veteran technical assistance coordinator. Any unencumbered balance in the first year does not cancel and is available in the second year.

(g) **Camp Bliss.** \$150,000 each year is for a grant to Independent Lifestyles, Inc., to provide therapy, transportation, and activities customized for veterans who are Minnesota residents and their spouses, domestic

partners, and children, at Camp Bliss in the city of Walker. The commissioner of veterans affairs must report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs on:

(1) the number of veterans and veterans' family members served; and

(2) a detailed explanation of expenditures of the grant money.

(h) **Veteran Resilience Project.** \$140,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(i) **CORE Program.** \$1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(j) **LinkVet Call Center.** \$369,000 each year is for the operation of the state's LinkVet Call Center.

(k) **Recently Separated Veterans Program.** \$300,000 each year is for operation of the recently separated veterans program. The

commissioner of veterans affairs may use Department of Defense and other veteran data that was provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts.

(l) **Homeless Veterans and SOAR Program.** \$1,344,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts.

(m) **Minnesota Assistance Council for Veterans.** \$1,075,000 each year is for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families who are homeless or in danger of homelessness, including assistance with:

- (1) supportive services to maintain housing;
- (2) employment;
- (3) legal issues;
- (4) housing and housing-related costs;
- (5) transportation;
- (6) the acquisition and creation of permanent supportive housing; and
- (7) property management of permanent supportive housing.

Any unencumbered balance remaining in this paragraph in the first year does not cancel and is available for the second year. Assistance authorized under this paragraph

must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(n) **Minnesota Military and Veterans Museum.** \$300,000 each year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families.

(o) **Veteran Homelessness Initiative.** \$1,311,000 each year is for an initiative to prevent and end veteran homelessness.

Subd. 3. **Veterans Health Care**

111,252,000

115,620,000

(a) \$110,302,000 the first year and \$114,670,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is \$119,100,000 in fiscal year 2028 and each fiscal year thereafter.

(b) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(c) \$400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(d) \$550,000 each year is for the department to operate the veteran suicide prevention program.

ARTICLE 2

VETERANS POLICY

Section 1. Minnesota Statutes 2024, section 13.461, subdivision 27, is amended to read:

Subd. 27. ~~State soldiers assistance program~~ **Veterans affairs programs.** Access to information for purposes of verifying eligibility for the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and the Veterans Programs Division is governed by section 197.065.

Sec. 2. Minnesota Statutes 2024, section 193.143, is amended to read:

193.143 STATE ARMORY BUILDING COMMISSION, POWERS.

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~\$15,000,000~~ \$45,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State

Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, debt service, and other obligations reasonable and necessary, of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 3. Minnesota Statutes 2024, section 197.065, is amended to read:

197.065 ACCESS TO DATABASE.

(a) Notwithstanding section 13.46, subdivision 2, the commissioner of veterans affairs may electronically access the MAXIS database maintained by the Department of Human Services Children, Youth, and Families for the purpose of verifying eligibility status of applicants for benefits under the State Soldiers Assistance Program, the Veterans Stable Housing Initiative, and the Veterans Programs Division. The commissioner may electronically access the MAXIS database to ensure that veterans are connected to all available state and federal resources for which the veterans are eligible.

(b) In order to access any private data on individuals, as defined by section 13.02, subdivision 12, pursuant to paragraph (a) of this section, the commissioner of veterans affairs must have received informed consent from the subject of that data.

Sec. 4. Minnesota Statutes 2024, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section ~~401~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 5 and 7.

Sec. 5. Minnesota Statutes 2024, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall ~~develop~~ maintain a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section ~~101~~ 2402, paragraph ~~(2)~~ (a), subparagraphs 1 to 4 and 7.

Sec. 6. Minnesota Statutes 2024, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of \$7,500 for the following purposes:

- (1) to provide outreach to the county's veterans;
- (2) to assist in the reintegration of combat veterans into society;
- (3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;
- (4) to reduce homelessness among veterans; and
- (5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

- (1) \$0, if the county's veteran population is less than 1,000;
- (2) \$2,500, if the county's veteran population is 1,000 or more but less than 3,000;
- (3) \$5,000, if the county's veteran population is 3,000 or more but less than 5,000;
- (4) \$7,500, if the county's veteran population is 5,000 or more but less than 10,000;
- (5) \$10,000, if the county's veteran population is 10,000 or more but less than 20,000;
- (6) \$15,000, if the county's veteran population is 20,000 or more but less than 30,000; or
- (7) \$20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~\$100,000~~ \$160,000. The grant ~~shall~~ must be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services. Up to \$60,000 of this amount may be used to train

technical assistance coordinators and for technical assistance coordinators to travel to consult with Minnesota counties on specific areas of expertise upon request. The Minnesota Association of County Veterans Service Officers executive board must select technical assistance coordinators, who are either county veterans service officers or assistant county veterans service officers, to serve for a minimum of one year.

(d) The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 197.6091, is amended to read:

197.6091 VETERANS BENEFITS SERVICES; DISCLOSURE AND ACCREDITATION REQUIREMENTS.

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

(b)(1) "Advertising" or "advertisement" means any of the following:

(i) any written or printed communication made for the purpose of soliciting business for veterans benefits services, or veterans benefits appeal services, including but not limited to a brochure, letter, pamphlet, newspaper, telephone listing, periodical, or other writing;

(ii) any directory listing caused or permitted by a person and made available by that person indicating that veterans benefits services, or veterans benefits appeal services, are being offered; or

(iii) any radio, television, computer network, or similar airwave or electronic transmission that solicits business for or promotes a person offering veterans benefits services, or veterans benefits appeal services.

(2) "Advertising" or "advertisement" does not include any of the following:

(i) any printing or writing used on buildings, uniforms, or badges, where the purpose of the writing is for identification; or

(ii) any printing or writing in a memorandum or other communication used in the ordinary course of business where the sole purpose of the writing is other than soliciting business for veterans benefits services, or veterans benefits appeal services.

(c) "Benefit" means any payment, service, commodity, function, status, or entitlement to which is determined under laws administered by the United States Department of Veterans Affairs pertaining to veterans, dependents, and survivors.

(d) "Claim" means an application made under United States Code, title 38, and implementing directives, for entitlement to United States Department of Veterans Affairs benefits, reinstatement, continuation, or increase of benefits, or the defense of a proposed agency adverse action concerning benefits.

(e) "Claimant" means a veteran, dependent, or other appropriate person with a claim for benefits from the United States Department of Veterans Affairs.

(f) "Compensation" means payment of money, a thing of value, or a financial benefit.

(g) "Recognition" means certification by the United States Department of Veterans Affairs of organizations to assist claimants in the preparation, presentation, and prosecution of claims for benefits.

(h) "Person" means an individual, agency, government or governmental subdivision, government employee, veterans service organization, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, instrumentality, or any other legal or commercial entity.

(i) "Practice of law" means legal representation, legal services, legal advice, legal consultations, preparation of legal documents, or other legal activities provided by a licensed attorney.

(j) "Representation" means the acts associated with representing a claimant in a proceeding before VA pursuant to a properly executed and filed VA Form 21-22 (Appointment of Veterans Service Organization as Claimant's Representative) or VA Form 21-22a (Appointment of Individual as Claimant's Representative).

(k) "VA accreditation" means the federal credentialing process required pursuant to United States Code, title 38, section 5904, by the United States Department of Veterans Affairs for representatives of veterans at the agency. Accreditation is not required for representation in federal courts.

(l) "VA-accredited representative" means a person recognized by the United States Department of Veterans Affairs under Code of Federal Regulations, title 38, section 14.629, including, but not limited to, VA-accredited attorneys, claims agents, government employees, and representatives of veterans service organizations.

(m) "Veterans benefits appeal services" means services ~~that a veteran might reasonably require in order to appeal a denial of federal or state veterans benefits~~ provided after an initial claim decision is made by the United States Department of Veterans Affairs, including but not limited to denials of disability, limited income, home loan, insurance, education and training, burial and memorial, and dependent and survivor benefits.

~~(n)~~ (n) "Veterans benefits services" means services that a veteran or a family member of a veteran might reasonably use in order to obtain federal, state, or county veterans benefits.

~~(o)~~ (o) "Written disclosure statement" means the written disclosure statement developed by the commissioner of veterans affairs pursuant to section 196.05, subdivision 1.

Subd. 2. Advertising disclosure requirements. A person advertising veterans benefits appeal services must conspicuously disclose in the advertisement, in similar type size or voice-over, that veterans benefits appeal services are also offered at no cost by county veterans service officers under sections 197.603 and 197.604. This subdivision does not apply to an attorney accredited by the United States Department of Veterans Affairs under Code of Federal Regulations, title 38, section 14.629.

Subd. 3. **Veterans benefits services disclosure requirements.** A person who provides veterans benefits services in exchange for compensation shall provide a written disclosure statement to each client or prospective client. Before a person enters into an agreement to provide veterans benefits services or accepts ~~money or any other thing of value~~ compensation for the provision of veterans benefits services, the person must obtain the signature of the client on a written disclosure statement containing an attestation by the client that the client has read and understands the written disclosure statement. This subdivision does not apply to an attorney accredited by the United States Department of Veterans Affairs under Code of Federal Regulations, title 38, section 14.629.

Subd. 3a. **Federal accreditation; other requirements.** (a) A person who provides veterans benefits services, or veterans benefits appeals services, in exchange for compensation must be accredited by the secretary of the United States Department of Veterans Affairs under United States Code, title 38, chapter 59.

(b) A person may not make a referral for compensation of claimant to a provider of veterans benefits services, or veterans benefits appeals services, unless they are accredited by the secretary of the United States Department of Veterans Affairs except as permitted under United States Code, title 38, chapter 59.

(c) A person subject to an accreditation requirement under paragraph (a), and who provides veterans benefits services, or veterans benefits appeals services, may charge a veteran or a family member of a veteran a fee or other form of compensation only as provided in Code of Federal Regulations, title 38, section 14.636.

(d) Before providing veterans benefits services, or veterans benefits appeals services, a person must provide a veteran or a family member of a veteran a written fee agreement that complies with Code of Federal Regulations, title 38, section 14.636, memorializing all terms regarding payment of fees, and signed by both parties.

(e) A person shall not engage in the practice of law where it concerns veterans, in the preparation, presentation, or prosecution for veterans benefits before the United States Department of Veterans Affairs, except if the person is a VA-accredited representative.

(f) A person seeking compensation in connection with a veterans benefit service or veterans benefit appeal service must:

(1) not use a veteran's personal login, username, or password information to access the veteran's medical, financial, or government benefits information; and

(2) ensure that any individual who has access to a veteran's medical or financial information undergoes a background check prior to having access to that information. The background check must be conducted by a reputable source and include identity verification and a criminal records check.

Subd. 3b. **Guarantee of benefits prohibited.** A person providing veterans benefits services, or veterans benefits appeals services, in exchange for compensation, must not guarantee, either directly or by implication, that a veteran or a family member of a veteran is certain to receive specific federal, state, or county veterans benefits or any specific level, percentage, or amount of federal, state, or county veterans benefits.

Subd. 4. **Violations; penalties.** ~~A person who fails to comply with this section is subject to a civil penalty not to exceed \$1,000 for each violation. Civil penalties shall be assessed by the district court in an action initiated by the attorney general. For the purposes of computing the amount of each civil penalty, each day of a continuing violation constitutes a separate violation. Additionally, the attorney general may accept a civil penalty as determined by the attorney general in settlement of an investigation of a violation of this section regardless of whether an action has been filed under this section.~~ A violation of this section is an unlawful practice under section 325F.69. Any civil penalty recovered shall be deposited in the Support Our Troops account established under section 190.19.

Subd. 5. **Nonapplicability.** This section does not apply to the owner or personnel of any medium in which an advertisement appears or through which an advertisement is disseminated.

Sec. 8. Minnesota Statutes 2024, section 197.75, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran who has died as a result of the person's military service, as determined by the United States Veterans Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death.

(d) "Eligible child" means a person who:

(1) is the natural or adopted child or stepchild of a deceased veteran; and

(2) is a student making satisfactory academic progress at an eligible institution of higher education.

(e) "Eligible institution" means a postsecondary educational institution located in this state that either is operated by this state or the Board of Regents of the University of Minnesota, or is licensed or registered with the Office of Higher Education.

(f) "Eligible spouse" means the surviving spouse of a deceased veteran, regardless of whether the surviving spouse remarries.

(g) "Eligible veteran" means a veteran who:

(1) is a student making satisfactory academic progress at an eligible institution of higher education;

(2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;

(3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and

(4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.

(h) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.

(i) "Student" has the meaning given in section 136A.101, subdivision 7.

(j) "Veteran" has the meaning given in section 197.447.

Sec. 9. Minnesota Statutes 2024, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under subdivision 5 if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse, regardless of whether the surviving spouse remarries, or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 10. **GOLD STAR AND BLUE STAR FAMILIES; MEMORIAL PLAQUE.**

The commissioner of administration shall place a memorial plaque in the court of honor on State Capitol grounds to recognize the service and sacrifices of Minnesota's Gold Star and Blue Star families. The Capitol Area Architectural and Planning Board must solicit design submissions from the public. The Capitol Area Architectural and Planning Board shall select a design from the submitted designs to use as a basis for final production. The selected design must be approved by the commissioner of veterans affairs and must be furnished by the person or group who submitted the design at no cost to the state."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "modifying veterans services and benefits provisions;"

Amend the title numbers accordingly

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

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

S.F. No. 908: A bill for an act relating to construction codes; modifying provisions governing the certification of underground telecommunications installers; amending Minnesota Statutes 2024, section 326B.198, subdivisions 2, 3.

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

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 570: A bill for an act relating to environment; improving efficiency of Wetland Conservation Act determinations; modifying permitting efficiency reporting requirements; improving the efficiency of the environmental and resource management permit application process; requiring the Pollution Control Agency to issue separate permits for the construction and operation of certain facilities; modifying the expedited permitting process of the Pollution Control Agency; requiring petitioners for environmental assessment worksheets to reside in the affected or adjoining counties; eliminating scoping environmental assessment worksheet requirements for projects requiring an environmental impact statement; requiring modification of the state implementation plan; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 15.99, subdivision 3; 116.03, subdivision 2b; 116.07, subdivisions 4a, 4d; 116D.04, subdivision 2a; 116J.035, by adding a subdivision.

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

Page 1, delete section 1

Page 2, line 32, after the period, insert "Goals established in this paragraph do not apply to permit applications required due to agency enforcement actions."

Page 3, line 1, reinstate "an annual" and delete "semiannual"

Page 3, line 2, reinstate "report" and delete "reports" and reinstate "includes" and delete "include"

Page 3, line 3, reinstate "report" and delete "reports"

Page 3, line 5, delete "February" and insert "October 1"

Page 3, line 6, delete "1 and" and strike "August 1" and delete everything after the period

Page 3, delete lines 7 and 8

Page 3, line 9, delete everything before "report" and insert "The"

Page 3, line 34, strike "whether the application is complete or incomplete."

Page 4, line 1, delete the new language

Page 4, line 2, delete the new language and strike "enumerate" and insert "of"

Page 4, line 3, reinstate the stricken "and" and before "advise" insert "must"

Page 4, line 4, reinstate the period and delete the new language

Page 4, delete lines 5 to 7

Page 4, line 8, delete the new language and insert "The applicant shall have five business days to remedy all identified deficiencies before the commissioner determines that the application is complete or incomplete."

Page 4, line 9, strike "notice" and insert "commissioner"

Page 4, lines 10, 11, and 16 to 18, delete the new language

Page 6, delete lines 5 to 14

Page 6, line 21, delete "must" and insert "may"

Page 6, line 22, after "operation" insert ", except for a facility required to complete a mandatory environmental impact statement under Minnesota Rules, part 4410.4400"

Page 6, line 23, delete "issue" and insert "prioritize"

Page 6, line 24, after "facility" insert "while complying with state and federal requirements"

Page 9, line 33, delete "to pay"

Page 11, line 26, after "a" insert "Minnesota"

Pages 14 to 15, delete sections 6 and 7 and insert:

"Sec. 5. Minnesota Statutes 2024, section 116D.04, subdivision 2b, is amended to read:

Subd. 2b. **Project prerequisites.** (a) If an environmental assessment worksheet or an environmental impact statement is required for a governmental action under subdivision 2a, a project may not be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project, until:

- (1) a petition for an environmental assessment worksheet is dismissed;
- (2) a negative declaration has been issued on the need for an environmental impact statement;
- (3) the environmental impact statement has been determined adequate; or
- (4) a variance has been granted from making an environmental impact statement by the environmental quality board.

(b) Nothing in this subdivision precludes a local unit of government from beginning to review a feedlot permit application for a feedlot subject to environmental review under this chapter.

Sec. 6. SCOPING ENVIRONMENTAL ASSESSMENT WORKSHEET NOT REQUIRED FOR PROJECTS THAT REQUIRE A MANDATORY ENVIRONMENTAL IMPACT STATEMENT.

(a) The Environmental Quality Board must amend Minnesota Rules, part 4410.2100, as follows:

(1) to provide that an environmental assessment worksheet does not need to be prepared for a project that falls within a mandatory environmental impact statement category under Minnesota Rules, part 4410.4400, or other applicable law; and

(2) to provide that a scoping process undertaken under Minnesota Rules, part 4410.2100, must be completed no later than 280 days after the process begins.

(b) The board may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388."

Page 16, line 5, delete "(a)"

Page 16, line 7, after "plan" insert "if changes are needed"

Page 16, delete lines 9 to 13

Page 16, after line 21, insert

"Sec. 9. REPORT ON USE OF AUTHORITY TO EXTEND TIMELINE FOR CERTAIN AGENCY ACTIONS.

By October 1, 2027, the Board of Water and Soil Resources must report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources policy on the number of extensions under Minnesota Statutes, section 15.99, subdivision 3, paragraph (f), that are made for any determination under Minnesota Statutes, sections 103G.221 to 103G.2375, between July 1, 2025, and June 30, 2027. A local government unit must supply the board with information necessary to prepare the report required by this section.

Sec. 10. APPROPRIATION; MINNESOTA BUSINESS FIRST STOP.

\$325,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 are appropriated from the general fund to the commissioner of employment and economic development for the Minnesota Business First Stop program."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "determinations;"

Page 1, line 8, after the semicolon, insert "authorizing local governments to begin reviewing feedlot permit applications before environmental review is complete;"

Amend the title numbers accordingly

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. 2458: A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; making policy and technical changes to agriculture provisions; modifying and establishing fees; requiring reports; providing civil penalties; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1; 18B.26, subdivision 8; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.085, subdivision 1; 28A.14; 28A.17; 32D.01, by adding a subdivision; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 21; 28A; 32D; repealing Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30
2026 2027

Sec. 2. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. Total Appropriation \$ **53,083,000** \$ **53,401,000**

<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>52,684,000</u>	<u>53,002,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

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

Subd. 2. Protection Services

<u>Appropriations by Fund</u>		
<u>General</u>	<u>19,454,000</u>	<u>20,008,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

(a) \$399,000 the first year and \$399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) \$589,000 the first year and \$639,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than \$50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) \$225,000 the first year and \$225,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal funding to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(d) \$205,000 the first year and \$205,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to \$40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(e) \$825,000 the first year and \$825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(f) \$420,000 the first year and \$924,000 the second year are to support current services.

(g) \$150,000 the first year and \$150,000 the second year are to coordinate climate-related activities and services within the Department of Agriculture and with counterparts in local, state, and federal agencies and for a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(h) \$351,000 the first year and \$351,000 the second year are for additional meat and poultry inspection services. The base for this appropriation is \$450,000 in fiscal year 2028 and each year thereafter.

Subd. 3. Agricultural Marketing and Development

21,126,000

20,876,000

(a) \$634,000 the first year and \$634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(c) \$75,000 the first year and \$75,000 the second year are for mental health outreach and support to farmers, ranchers, and others in the agricultural community and for farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota

Statutes, section 16A.28, any unencumbered balance does not cancel at the end of fiscal year 2026 and is available until June 30, 2027. The base for this appropriation is \$50,000 in fiscal year 2028 and each year thereafter.

(d) \$16,557,000 the first year and \$16,307,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is \$16,357,000 in fiscal year 2028 and each year thereafter.

(e) Except as provided in paragraph (f), the commissioner may allocate the appropriation in paragraph (d) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of the appropriation in paragraph(d) for costs incurred to administer the program.

(f) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$2,750,000 the first year and \$2,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) \$2,750,000 the first year and \$2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial

assistance program by January 15 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$250,000 the first year and \$250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000;

(5) \$1,444,000 the first year and \$1,444,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, \$150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients;

(6) \$1,075,000 the first year and \$1,075,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training. The base for this appropriation is

\$1,125,000 in fiscal year 2028 and each year thereafter;

(7) \$1,000,000 the first year and \$1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) \$200,000 the first year and \$200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016; and

(9) \$250,000 the first year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation does not cancel at the end of the first year and is available in the second year.

(g) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032.

Subd. 4. Administration and Financial Assistance

12,104,000

12,118,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 each year. These payments are the amount of aid

from the state for an annual fair held in the previous calendar year.

(b) \$300,000 the first year and \$300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(c) \$2,000 the first year is for a grant to the Minnesota State Poultry Association to promote youth poultry programs in Minnesota. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

(d) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) \$30,000 the first year and \$30,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. This is a onetime appropriation.

(f) \$35,000 the first year and \$35,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) \$75,000 the first year and \$75,000 the second year are for grants to the Center for Rural Policy and Development. This is a onetime appropriation.

(h) \$40,000 the first year and \$40,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on:

(1) the improved production of forage and turf seed related to new and improved varieties; and

(2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability.

The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2027, and January 15, 2028, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) \$50,000 the first year and \$50,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2026, and December 1, 2027, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) \$1,000,000 the first year and \$1,000,000 the second year are to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops

as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2027, are available until December 31, 2027.

(k) \$1,700,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's five Feeding America food banks for the following purposes:

(1) at least \$850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural

commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may not use any amount of each grant awarded under this clause for administrative expenses;

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers; and

(4) up to \$500,000 each year is to purchase produce from The Good Acre.

Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(1) \$260,000 the first year and \$260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota

farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(m) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(n) \$1,000,000 the first year and \$1,000,000 the second year are for the Emerging Farmers Office to provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(o) \$137,000 the first year and \$203,000 the second year are to support current services.

(p) \$337,000 the first year and \$337,000 the second year are for farm advocate services. Of these amounts, \$50,000 the first year and \$50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(q) \$250,000 the first year and \$250,000 the second year are for the local food purchasing

assistance grant program under article 3, section 42.

(r) \$50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by December 15, 2025.

(s) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$</u>	<u>6,656,000</u>	<u>\$</u>	<u>6,781,000</u>
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\$246,000 the first year and \$371,000 the second year are to maintain the current level of service delivery. The base for this appropriation is \$371,000 in fiscal year 2028 and each year thereafter.

Sec. 4. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	<u>\$</u>	<u>4,388,000</u>	<u>\$</u>	<u>4,434,000</u>
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\$45,000 the first year and \$91,000 the second year are to maintain the current level of service delivery. The base for this appropriation is \$91,000 in fiscal year 2028 and each year thereafter.

Sec. 5. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Agriculture as the commissioner of agriculture considers necessary, with the advanced approval of the commissioner of management and budget. The commissioner of agriculture shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance quarterly about the transfers made under this section.

Sec. 6. **TRANSFERS.**

(a) \$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are transferred from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. This transfer is \$100,000 in fiscal year 2028 and each year thereafter.

(b) \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 are transferred from the general fund to the Minnesota grown account and may be used as grants for Minnesota Grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2027, for Minnesota Grown grants in this paragraph are available until June 30, 2029. This transfer is \$186,000 in fiscal year 2028 and each year thereafter.

(c) \$10,552,000 in fiscal year 2026 and \$10,552,000 in fiscal year 2027 are transferred from the general fund to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this transfer for costs incurred to administer this program.

(d) Of the amount transferred for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 in fiscal year 2026 and up to \$1,000,000 in fiscal year 2027 are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,375,000 in fiscal year 2026 and \$2,375,000 in fiscal year 2027 are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

(5) \$802,000 in fiscal year 2026 and \$802,000 in fiscal year 2027 are to fund the Forever Green Initiative and protect Minnesota's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the money in this clause, including administrative costs, and the achievements this money contributed to;

(6) \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for research on natural strands of wild rice;

(7) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist; and

(8) \$75,000 in fiscal year 2026 and \$75,000 in fiscal year 2027 are for grants to the Southwest Minnesota State University Foundation to support the Minnesota Agriculture and Rural Leadership program.

The transfer for the agriculture research, education, extension, and technology transfer program is \$10,552,000 in fiscal year 2028 and each year thereafter.

(e) \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 are transferred from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest or no-interest loans issued through the agriculture best management practices loan program under Minnesota Statutes, section 17.117. This transfer is \$1,425,000 in fiscal year 2028 and each year thereafter.

Sec. 7. FISCAL YEAR 2025 TRANSFER.

\$1,500,000 in fiscal year 2025 is transferred from the general fund to the agricultural emergency account established under Minnesota Statutes, section 17.041.

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

Sec. 8. CANCELLATIONS; FISCAL YEAR 2025.

(a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) \$1,500,000 of the appropriation in fiscal year 2025 from the general fund for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more than 16,000,000 pounds of milk in 2022 under Laws 2024, chapter 126, article 1, section 1, is canceled to the general fund by June 30, 2025.

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

Sec. 9. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 4, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	25,343,000	27,257,000
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(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, salmonella, and other turkey-related diseases. By January 15, 2023, entities receiving grants for potato breeding and wild rice breeding are requested to report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and higher education regarding the use of the grant money and to

provide an update on the status of research and related accomplishments.

To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$16,028,000 the first year and \$17,928,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; providing funding not to exceed \$800,000 each year to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in school and child care settings including, at the commissioner's discretion, reimbursing schools for purchases from local farmers; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; providing funding not to exceed \$600,000 each year for urban youth agricultural education or urban agriculture community development of which \$10,000 each year is for transfer to the emerging farmer account under Minnesota Statutes, section 17.055, subdivision 1a; providing funding not to exceed \$450,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes,

section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$4,500,000 the first year and \$5,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2023, and the second year appropriation is available until June 30, 2024. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base appropriation under this clause is \$5,750,000 in fiscal year 2024 and thereafter;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle

model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$750,000 the first year and \$1,400,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The base appropriation under this clause is \$250,000 in fiscal year 2024 and thereafter; and

(5) \$1,400,000 the first year and \$1,400,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2024, and may be used for other purposes under this paragraph. The appropriations under this clause are onetime.

Notwithstanding Minnesota Statutes, section 16A.28, ~~any unencumbered balance does not cancel at the end of the first year and is available for the second year, and this appropriation does not cancel at the end of the second year and is available until June 30, 2029.~~ Appropriations encumbered under contract on or before June 30, ~~2023~~ 2029, for agricultural growth, research, and innovation grants are available until June 30, ~~2026~~ 2032.

The base amount for the agricultural growth, research, and innovation program is \$17,553,000 in fiscal year 2024 and \$17,553,000 in fiscal year 2025, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

(c) \$15,000 the first year and \$29,000 the second year are to maintain the current level of service delivery.

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

Sec. 10. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws 2024, chapter 126, article 1, section 1, subdivision 4, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	34,034,000	38,159,000
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(a) \$10,702,000 the first year and \$10,702,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer

account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to \$1,000,000 the first year and up to \$1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures;

(3) \$2,250,000 the first year and \$2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants;

(4) \$450,000 the first year is for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder;

(5) \$350,000 the first year and \$350,000 the second year are for potato breeding;

(6) \$802,000 the first year and \$802,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is \$802,000 in fiscal year 2026 and each year thereafter. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to;

(7) \$350,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime;

(8) \$200,000 the second year is for research on natural stands of wild rice; and

(9) \$250,000 the second year is for the cultivated wild rice forward selection project at the North Central Research and Outreach Center, including a tenure track or research associate plant scientist.

(b) The base for the agriculture research, education, extension, and technology transfer program is \$10,352,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027.

(c) \$23,332,000 the first year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or

expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the first year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) \$3,375,000 the first year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) \$1,250,000 the first year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk

processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;

(5) \$1,150,000 the first year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients;

(6) \$2,000,000 the first year is for urban youth agricultural education or urban agriculture community development;

(7) \$1,000,000 the first year is for the good food access program under Minnesota Statutes, section 17.1017; and

(8) \$225,000 the first year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

- (i) equipment required for a meat cutting program;
- (ii) facility renovation to accommodate meat cutting; and
- (iii) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to \$75,000 and may use up to ten percent of the grant for faculty training. Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities institutions or with local industry partners.

By January 15, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2025, the commissioner must submit an additional report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2025.

Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

(d) \$27,457,000 the second year is for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the second year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$5,750,000 the second year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation

is available until June 30, 2027. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is \$3,000,000 in fiscal year 2026 and each year thereafter;

(3) \$3,375,000 the second year is for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than ten retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed \$200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of money leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion

associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is \$3,000,000 for fiscal year 2026 and each year thereafter;

(4) \$1,250,000 the second year is for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed \$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2027, and may be used for other purposes under this paragraph. The base under this clause is \$250,000 in fiscal year 2026 and each year thereafter;

(5) \$1,275,000 the second year is for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Organizations must participate in the National School Lunch Program or the Child and Adult Care Food Program to be eligible. Of the amount appropriated, \$150,000 is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is \$1,294,000 in fiscal year 2026 and each year thereafter;

(6) \$4,000,000 the second year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants and other forms of financial assistance to Minnesota dairy farms that enroll in coverage under a federal dairy risk protection program and produced no more

than 16,000,000 pounds of milk in 2022. The commissioner must make DAIRI payments based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating farm, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance on June 30, 2026, may be used for other purposes under this paragraph. The allocation in this clause is onetime;

(7) \$2,000,000 the second year is for urban youth agricultural education or urban agriculture community development;

(8) \$1,000,000 the second year is for the good food access program under Minnesota Statutes, section 17.1017; and

(9) \$225,000 the second year is for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this paragraph, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to \$2,000 to cover time and labor costs. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for administrative costs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, ~~this~~ the appropriation in paragraph (d) does not cancel at the end of the second year and is available until June 30, 2027. Appropriations encumbered under contract on or before June 30, 2027, for agricultural growth, research, and innovation grants are available until June 30, 2030.

~~(e)~~ (f) The base for the agricultural growth, research, and innovation program is \$17,582,000 in fiscal year 2026 and each

year thereafter and includes \$200,000 each year for cooperative development grants.

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

ARTICLE 2

BROADBAND

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$ 1,001,000</u>	<u>\$ 1,001,000</u>
<u>\$1,001,000 each year is for the Office of Broadband Development.</u>		

ARTICLE 3

POLICY PROVISIONS

Section 1. Minnesota Statutes 2024, section 17.1017, is amended to read:

17.1017 ~~GOOD FOOD ACCESS~~ RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language or context indicates that a different meaning is intended, the following terms have the meanings given them.

(b) "Account" means the ~~good food access~~ retail improvement and development account established in subdivision 3.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Economic or community development financial institution (ECDFI)" means a lender, including but not limited to a community development financial institution (CDFI), an economic

development district (EDD), a political subdivision of the state, a microenterprise firm, or a nonprofit community lending organization that has previous experience lending to a food retailer, producer, or another healthy food enterprise ~~in an underserved community in a low-income or moderate-income area~~, as defined in this section; ~~has been in existence and operating prior to January 1, 2014~~; has demonstrated the ability to raise matching capital and in-kind services to leverage appropriated money; has the demonstrated ability to underwrite loans and grants; and has partnered previously with nonprofit healthy food access, public health, or related governmental departments or community organizations.

(e) "Farmers' market" means an association of three or more persons who assemble at a defined location that is open to the public for the purpose of selling directly to the consumer the products of a farm or garden occupied and cultivated by the person selling the product.

(f) "Financing" means loans, including low-interest loans, zero-interest loans, forgivable loans, and other types of financial assistance other than grants.

(g) "Food hub" means a centrally located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, marketing, and sale of locally or regionally produced food products, and which may include a small-scale retail grocery operation.

~~(h) "Good Food Access Program Advisory Committee" means the Good Food Access Program Advisory Committee under section 17.1018.~~

(h) "Food Retail Improvement and Development Program Advisory Committee" means the Food Retail Improvement and Development Program Advisory Committee under section 17.1018.

(i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also sell household products, sundries, and other products. Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery establishment and may include a mobile food market or a delivery service operation.

(j) "Low-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of the statewide or metropolitan median family income.

(k) "Moderate-income area" means a census tract as reported in the most recently completed decennial census published by the United States Bureau of the Census in which the median family income is between 81 percent and 95 percent of the median family income for that area.

(l) "Mobile food market" means a self-contained for-profit, not-for-profit, or cooperative retail grocery operation located in a movable new or renovated truck, bus, or other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood, fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal supply of cooking utensils and equipment and other household products and sundries.

(m) "Program" means the ~~good food access~~ retail improvement and development program established in this section.

(n) "Small food retailer" means a small-scale retail food outlet, other than a grocery store as defined in this section. Small food retailer includes, but is not limited to, a corner store, convenience store, farmers' market, mobile food market, and a retail food outlet operated by an emergency food program or food hub.

(o) "Technical assistance" means needs-based project assistance provided through the program, including sustainability-focused individualized guidance, presentations, workshops, trainings, printed materials, mentorship opportunities, peer-to-peer opportunities, or other guidance and resources on relevant topics such as business planning, sales projections, cash flow, succession planning, financing, fundraising, marketing, food preparation demonstrations, and workforce training.

(p) "~~Underserved community~~" means ~~a census tract that is federally designated as a food desert by the United States Department of Agriculture, or a census tract in a low-income or moderate-income area that includes a substantial subpopulation such as the elderly or the disabled that has low supermarket access, regardless of distance, due to lack of transportation geographic area or group of people whose food access needs are not met by existing retail options, including a low-income and moderate-income area, a census tract that is federally designated as a food desert by the United States Department of Agriculture, an area where there is a limited number of grocery stores, or a group of people with particular needs such as the aging population, people with disabilities, or people with special dietary needs or preferences, or as otherwise defined by the commissioner.~~

Subd. 2. **Program established.** (a) A ~~good food access~~ retail improvement and development program is established within the Department of Agriculture to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~ by providing financial support and sustainable public-private projects to open, renovate, or expand the operations of grocery stores and small food retailers; expanding access to credit and reducing barriers to investment in underserved communities ~~in low- and moderate-income areas~~; and to provide technical assistance, primarily for small food retailers with demonstrated need, to increase availability and sustainable sales of affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, to underserved communities in low-income and moderate-income areas. The commissioner, in cooperation with public and private partners, shall establish and implement the program as provided in this section.

(b) The ~~good food access~~ retail improvement and development program shall be comprised of state or private grants, loans, or other types of financial and technical assistance for the establishment, construction, expansion of operations, or renovation of grocery stores and small food retailers to increase the availability of and access to affordable fresh produce and other nutritious, culturally appropriate food to underserved communities ~~in low-income and moderate-income areas~~.

Subd. 3. **~~Good Food access~~ retail improvement and development account.** A ~~good food access~~ retail improvement and development account is established in the agricultural fund. The account consists of money appropriated by the legislature to the commissioner, as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account, including interest, is appropriated to the commissioner for the purposes of this section, and shall be used, to the extent practicable, to leverage other forms of public and private financing or financial assistance for the projects.

Subd. 4. **Program administration.** (a) The commissioner shall be the administrator of the account for auditing purposes and shall establish program requirements and a competitive process for projects applying for financial and technical assistance.

(b) The commissioner may receive money or other assets from any source, including but not limited to philanthropic foundations and financial investors, for deposit into the account.

(c) Through issuance of requests for proposals, the commissioner may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

(d) Money in the account at the close of each fiscal year shall remain in the account and shall not cancel. In each biennium, the commissioner shall determine the appropriate proportion of money to be allocated to loans, grants, technical assistance, and any other types of financial assistance.

(e) To encourage public-private, cross-sector collaboration and investment in the account and program and to ensure that the program intent is maintained throughout implementation, the commissioner shall convene and maintain the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee.

(f) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall manage the program, establish program criteria, facilitate leveraging of additional public and private investment, and promote the program statewide.

(g) The commissioner, in cooperation with the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, shall establish annual monitoring and accountability mechanisms for all projects receiving financing or other financial or technical assistance through this program.

Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program partners and advisers, shall establish project eligibility guidelines and application processes to be used to review and select project applicants for financing or other financial or technical assistance. All projects must ~~be located in~~ serve an underserved community or must serve primarily underserved communities in low-income and moderate-income areas.

(b) Projects eligible for financing include, but are not limited to, new construction, renovations, expansions of operations, and infrastructure upgrades of grocery stores and small food retailers to improve the availability of and access to affordable, nutritious food, including fresh fruits and vegetables, and build capacity in areas of greatest need.

(c) Projects eligible for other types of financial assistance such as grants or technical assistance are primarily projects throughout the state, including, but not limited to, feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades of small food retailers.

Subd. 6. **Qualifications for receipt of financing and other financial or technical assistance.**

(a) An applicant for receipt of financing through an economic or community development financial institution, or an applicant for a grant or other financial ~~or technical~~ assistance, may be a for-profit

or not-for-profit entity, including, but not limited to, a sole proprietorship, limited liability company, corporation, cooperative, nonprofit organization, or nonprofit community development organization. Each applicant must:

(1) demonstrate community engagement in and support for the project;

(2) demonstrate the capacity to successfully implement the project;

(3) demonstrate a viable plan for long-term sustainability, including the ability to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities ~~in low-income and moderate-income areas~~; and

(4) demonstrate the ability to repay the debt, to the extent that the financing requires repayment.

(b) Each applicant must also agree to comply with the following conditions for a period of at least five years, except as otherwise specified in this section:

(1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

(2) allocate at least 30 percent of retail space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans; and

(3) comply with all data collection and reporting requirements established by the commissioner; and

~~(4) promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color.~~

(c) A selected project that is a small food retailer is not subject to the allocation agreement under paragraph (b), clause (2), and may use financing, grants, or other financial or technical assistance for refrigeration, displays, or onetime capital expenditures for the promotion and sale of perishable foods, including a combination of affordable, nutritious, and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats, poultry, and fish, consistent with nutrition standards in national guidelines described in the current United States Department of Agriculture Dietary Guidelines for Americans.

Subd. 7. **Additional selection criteria.** In determining which qualified projects to finance, and in determining which qualified projects to provide with grants or other types of financial or technical assistance, the commissioner, in cooperation with any entities with which the commissioner contracts for those purposes and the ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee, ~~shall~~ may also consider:

(1) the level of need in the area to be served;

(2) the degree to which the project requires an investment of public support, or technical assistance where applicable, to move forward, build capacity, create community impact, or be competitive;

(3) the likelihood that the project will have positive economic and health impacts on the underserved community, including creation and retention of jobs for local or regional residents ~~from low-income and moderate-income areas~~ that reflect area demographics, including Indigenous communities and communities of color;

(4) the degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition, promote healthy eating and healthy weight, and support locally grown food products through programs such as Minnesota Grown; and

(5) any other criteria that the commissioner, in cooperation with public and private partners, determines to be consistent with the purposes of this chapter.

Subd. 8. **Eligible costs.** Financing for project loans, including low-interest, zero-interest, and forgivable loans, grants, and other financial or technical assistance, may be used to support one or more of the following purposes:

(1) site acquisition and preparation;

(2) predevelopment costs, including but not limited to feasibility studies, market studies, and appraisals;

(3) construction and build-out costs;

(4) equipment and furnishings;

(5) workforce or retailer training; and

(6) working capital.

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

~~(5) any market or commodity expansion associated with increased access;~~

~~(6)~~ (5) the demographics of the areas served;

~~(7)~~ (6) the costs of the program;

~~(8)~~ (7) the number of SNAP ~~and WIC~~ dollars spent;

~~(9)~~ (8) any increase in retail square footage;

~~(10)~~ (9) the number of loans or grants to ~~minority-owned or female-owned businesses~~ businesses owned by women and Black, Indigenous, or Persons of Color; and

~~(11)~~ (10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2024, section 17.1018, is amended to read:

17.1018 GOOD FOOD ACCESS RETAIL IMPROVEMENT AND DEVELOPMENT PROGRAM ADVISORY COMMITTEE.

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them:

- (1) "program" means the good food access program under section 17.1017; and
- (2) "commissioner" means the commissioner of agriculture.

Subd. 2. **Creation.** The ~~Good Food Access~~ Retail Improvement and Development Program Advisory Committee consists of the following members, appointed by the commissioner of agriculture, unless otherwise specified:

- (1) the commissioners of health; ~~employment and economic development; and human services~~ children, youth, and families, or their respective designees;
- (2) one person representing the grocery industry;
- (3) two people representing economic or community development, one rural member and one urban or suburban member;
- (4) two people representing political subdivisions of the state;
- (5) one person designated by the Council for Minnesotans of African Heritage;
- (6) one person designated by the Minnesota Indian Affairs Council;
- (7) one person designated by the Council on Asian Pacific Minnesotans;
- (8) one person designated by the ~~Chicano-Latino Affairs~~ Council on Latino Affairs;
- (9) one person designated by the Minnesota Farmers Union;

(10) one person representing public health experts;

(11) one person representing philanthropic foundations;

(12) one person representing economic or community development financial institutions;

(13) one person representing the University of Minnesota Regional Sustainable Development Partnerships;

(14) two people representing organizations engaged in addressing food security, one representative from a statewide hunger relief organization and one from a community-based organization;

(15) one person representing immigrant farmer-led organizations;

(16) one person representing small business technical assistance with experience in food retail; and

(17) up to four additional members with economic development, health equity, financial, or other relevant expertise.

At least half of the members must reside in or their organizations must serve rural Minnesota. The commissioner may remove members and fill vacancies as provided in section 15.059, subdivision 4.

Subd. 3. **Duties.** The advisory committee must advise the commissioner of agriculture on managing the program, establishing program criteria, establishing project eligibility guidelines, establishing application processes and additional selection criteria, establishing annual monitoring and accountability mechanisms, facilitating leveraging of additional public and private investments, and promoting the program statewide.

Subd. 4. **Meetings.** The commissioner must convene the advisory committee at least two times per year to achieve the committee's duties.

Subd. 5. **Administrative support.** The commissioner of agriculture must provide staffing, meeting space, and administrative services for the advisory committee.

Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee shall serve as chair of the committee.

Subd. 7. **Compensation.** The public members of the advisory committee serve without compensation or payment of expenses.

Subd. 8. **Expiration.** The advisory committee does not expire.

Sec. 3. Minnesota Statutes 2024, section 17.117, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, ~~rural~~ landowners,

and water-quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

Sec. 4. Minnesota Statutes 2024, section 17.117, subdivision 3, is amended to read:

Subd. 3. **Appropriations.** Up to ~~\$140,000,000~~ \$280,000,000 of the balance in the clean water revolving fund in section 446A.07, as determined by the Public Facilities Authority, is appropriated to the commissioner for the establishment of this program. In addition, the commissioner may receive appropriations from the legislature and grants or funds from other sources for implementation of the program.

Sec. 5. Minnesota Statutes 2024, section 17.118, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to ~~a person~~ an eligible applicant who raises livestock in this state equal to ~~ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000~~ 25 percent of the first \$200,000 of qualifying expenditures. The commissioner may award multiple livestock investment grants to a person over the life of the program and shall give preference to applicants who have not previously received a grant under this section.

Sec. 6. Minnesota Statutes 2024, section 17.118, subdivision 2, is amended to read:

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

(b) "Livestock" means animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock, including but not limited to beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, aquaculture, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines, booster pumps, and well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

- (ii) watering facilities;
- (iii) feed storage and handling equipment;
- (iv) milking parlors;
- (v) robotic equipment;
- (vi) scales;
- (vii) milk storage and cooling facilities;
- (viii) bulk tanks;
- (ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;
- (x) manure pumping and storage facilities;
- (xi) swine farrowing facilities;
- (xii) swine and cattle finishing barns;
- (xiii) calving facilities;
- (xiv) digesters;
- (xv) equipment used to produce energy;
- (xvi) on-farm processing facilities equipment;
- (xvii) fences, including but not limited to farmed Cervidae perimeter fences required under section 35.155, subdivision 4; and
- (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

Sec. 7. Minnesota Statutes 2024, section 17.118, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a livestock investment grant, ~~a person~~ an applicant must:

- (1) be a resident of Minnesota, a unit of Tribal government, or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;
- (2) be the principal operator of the farm;
- (3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

Sec. 8. Minnesota Statutes 2024, section 17.133, subdivision 1, is amended to read:

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

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) grosses no more than \$250,000 per year from the sale of farm products;

(3) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

(4) is not, and whose spouse is not, ~~related by blood or marriage to an owner~~ a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

(e) "Limited land access" means farming without ownership of land and:

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

(f) "Limited market access" means the individual has gross sales of no more than \$100,000 per year from the sale of farm products.

Sec. 9. Minnesota Statutes 2024, section 18B.26, subdivision 8, is amended to read:

Subd. 8. **PFAS prohibitions.** (a) Beginning January 1, 2026, the commissioner may not register a ~~cleaning~~ product in the categories listed in section 116.943, subdivision 5, paragraph (a), if the product contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

(b) Beginning January 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless the commissioner determines that the use of PFAS is a currently unavoidable use.

Sec. 10. Minnesota Statutes 2024, section 18C.111, is amended by adding a subdivision to read:

Subd. 6. **Fertilizers and fertilizer by-products.** The commissioner may coordinate the protection of public health and the environment from the unreasonable adverse effects of fertilizers and fertilizer by-products among state agencies and local governments and may assist other state agencies and local governments in providing such protection.

Sec. 11. Minnesota Statutes 2024, section 25.391, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** The provisions of this chapter do not apply to ~~an individual~~ a person who prepares and sells home-processed pet treats for dogs and cats, provided the following conditions are met:

(1) the person is an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence;

(2) the person does not hold a commercial feed license under section 25.341;

(3) the ~~individual~~ person is registered with the commissioner under section 28A.152, subdivision 4;

~~(2)~~ (4) the pet treats are not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, that is safe for human consumption and for consumption by the intended species;

~~(3)~~ (5) the pet treats are baked or dehydrated;

~~(4)~~ (6) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating, "These products are homemade and not subject to state inspection."; and

~~(5)~~ (7) each individual pet treat package is labeled with the following: (i) the name and registration number or address of the individual preparing the pet treat; (ii) the date on which the pet treat was prepared; (iii) the ingredients listed; and (iv) the statement "These products are homemade and not subject to state inspection."

Sec. 12. Minnesota Statutes 2024, section 25.391, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~An individual~~ A person qualifying for the exemption under subdivision 1 may sell the exempt pet treats to consumers in accordance with section 28A.152, except that pet treats may also be delivered by mail or commercial delivery.

Sec. 13. Minnesota Statutes 2024, section 32D.01, is amended by adding a subdivision to read:

Subd. 12a. **Milk marketer.** "Milk marketer" means any person who collects or procures milk from dairy producers in Minnesota or markets milk on behalf of Minnesota dairy producers. Milk marketer does not include:

(1) a person who only brokers a contract between a milk producer and a milk contractor but does not become a party to the contract, take control of the milk, or accept payment on behalf of the milk producer;

(2) a person who only buys or sells milk on a board of trade or commodity exchange;

(3) a person who collects milk solely from their own farm, for use in their own dairy plant; or

(4) a person who only sells milk direct to the end consumer, from their own farm.

Sec. 14. **[32D.31] MILK MARKETING LICENSE.**

Subdivision 1. **License requirement and eligibility.** A current milk marketing license is required for any milk marketer who procures more than 700,000 pounds of milk annually from Minnesota farms. Before a milk marketing license is issued, the commissioner must determine that the applicant meets the relevant licensing requirements.

Subd. 2. **Application.** An applicant for a milk marketing license must apply on a form provided by the commissioner. An applicant must also submit:

(1) a report of the total milk payroll obligations that the applicant incurred during the applicant's last completed fiscal year. If the applicant has not yet operated as a milk marketer in Minnesota, the applicant shall estimate the total milk payroll obligations that the applicant will incur during the applicant's first complete fiscal year;

(2) a report of any milk payroll obligations to dairy producers that were unpaid during the applicant's last completed fiscal year and the payroll amount; and

(3) the total amount of hundredweights procured, collected, or marketed from Minnesota milk producers during the applicant's last completed fiscal year.

Subd. 3. **Term of license; transferability.** A milk marketing license issued by the commissioner expires on December 31 of each year, must be renewed annually, and is not transferable.

Subd. 4. **Fees and penalties.** (a) The fee for a milk marketing license is:

(1) \$100 for an initial license; and

(2) \$250 annually for a license renewal.

(b) The fee must be paid to the commissioner before the commissioner issues an initial or renewal license. If a person has not applied for a milk marketing license renewal before January 1, a late fee of \$100 must be imposed. After January 1, 2026, any person who requires a milk marketing license

and conducts activities subject to licensing within 365 days prior to obtaining a milk marketing license must pay a penalty of \$250 to receive the person's initial license.

Subd. 5. **License requirements.** An applicant for a milk marketing license must:

- (1) complete monthly procurement payments under section 32D.11, if applicable;
- (2) provide, upon request of the commissioner, a list of dairy producers from whom the applicant collects milk;
- (3) provide dairy field service as described in section 32D.02, subdivision 6;
- (4) submit associated farm inspection fees as required under sections 32D.06 and 32D.08;
- (5) provide, upon the request of the commissioner, a financial statement to demonstrate that sufficient financial resources are available to satisfy payroll obligations for milk that is procured or collected from Minnesota dairy producers; and
- (6) satisfy all contractual payments and agreements made with any Minnesota dairy producer that maintains a permit or certification as required under section 32D.05 or 32D.07. A person's failure to pay dairy producers in accordance with contracts may result in the revocation or suspension of the person's milk marketing license.

Subd. 6. **Permit requirement.** (a) A person conducting the following activities must hold a valid milk marketing permit:

- (1) any activities subject to a milk marketing license; or
- (2) if the person is a Minnesota milk producer, marketing milk on the producer's own behalf.

(b) An applicant must apply for a milk marketing permit on a form provided by the commissioner. A milk marketing permit must be issued to an applicant in conjunction with the initial license issued and must contain a milk marketing permit number. An applicant for a milk marketing permit must not be required to pay a fee to the commissioner when applying. A milk marketing permit is valid if the holder of the permit maintains a current milk marketing license or continues to market the permit holder's own milk, with no renewals required.

Sec. 15. Minnesota Statutes 2024, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

(f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo that is a United States Department of Agriculture licensed exhibitor of regulated animals to import live Cervidae from another state if the Cervidae are part of a herd that is:

(1) in the United States Department of Agriculture Herd Certification Program; or

(2) subject to similar equivalent disease surveillance at the discretion of the state veterinarian.

Sec. 16. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 17. Minnesota Statutes 2024, section 41A.16, subdivision 7, is amended to read:

Subd. 7. **Eligibility for participants after April 1, 2023.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location after April 1, 2023, and before

June 30, 2025, and must not begin operating above 23,750 MMBtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 23,750 MMBtu of biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 18. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

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

(b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

(c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

(d) "Commissioner" means the commissioner of agriculture.

(e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

(f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision 6, that is engaged in the business of:

(1) producing sustainable aviation fuel; or

(2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

(g) "Sustainable aviation fuel" means liquid fuel that:

(1) is derived from biomass, as defined in section 41A.15, subdivision 2e, or gaseous carbon oxides;

(2) is not derived from palm fatty acid distillates; and

(3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as determined by a test that shows:

(i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model that accounts for reduced emissions throughout the fuel production process; or

(ii) that the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core life cycle emissions and the positive induced land use change values under the life cycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2023, for sustainable aviation fuel sold after June 30, 2024.

Sec. 19. Minnesota Statutes 2024, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$50,000 and no more than \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 20. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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

(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and machinery used for farming in Minnesota.

(c) "Beginning farmer" means an individual ~~who~~, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals who are family members. Each individual must:

(1) ~~is~~ be a resident of Minnesota;

(2) ~~is~~ be seeking entry, or ~~has~~ have entered within the last ten years, into farming;

(3) ~~intends~~ intend to farm land located within the state borders of Minnesota;

(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not not be, nor may their spouse be, a family member of the owner of the agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not not be, nor may their spouse be, a family member of a partner, member, shareholder, or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to purchase or rent agricultural assets; and

(6) ~~meets~~ meet the following eligibility requirements as determined by the authority:

(i) ~~has~~ have a net worth that does not exceed the limit provided under section 41B.03, subdivision 3, paragraph (a), clause (2);

(ii) ~~provides~~ provide the majority of the day-to-day physical labor and management of the farm;

(iii) ~~has~~ have, by the judgment of the authority, adequate farming experience or demonstrates knowledge in the type of farming for which the beginning farmer seeks assistance from the authority;

(iv) ~~demonstrates~~ demonstrate to the authority a profit potential by submitting projected earnings statements;

(v) ~~asserts~~ assert to the satisfaction of the authority that farming will be a significant source of income for the beginning farmer;

(vi) ~~is~~ be enrolled in or ~~has~~ have completed within ten years of their first year of farming a financial management program approved by the authority or the commissioner of agriculture;

(vii) ~~agrees~~ agree to notify the authority if the beginning farmer no longer meets the eligibility requirements within the three-year certification period, in which case the beginning farmer is no longer eligible for credits under this section; and

(viii) ~~has~~ have other qualifications as specified by the authority.

The authority may waive the requirement in item (vi) if the participant requests a waiver and has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.

~~(d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055, subdivision 1.~~

~~(e)~~ (d) "Family member" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

~~(f)~~ (e) "Farm product" means plants and animals useful to humans and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products, poultry and poultry products, livestock, fruits, and vegetables.

~~(g)~~ (f) "Farming" means the active use, management, and operation of real and personal property for the production of a farm product.

~~(g)~~ (g) "Limited land access farmer" means a farmer experiencing limited land access as defined in section 17.133, subdivision 1.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner

no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.

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

Sec. 21. Minnesota Statutes 2024, section 41B.0391, subdivision 2, is amended to read:

Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification ~~and allocation~~ of a credit, in a form and manner prescribed by the authority. Applications for credits allowed under paragraph (a), clause (1), are due by November 1, 2025, and each year thereafter. Applications for credits allowed under paragraph (a), clauses (2) and (3), are due by July 1, 2025, and each year thereafter.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural land; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a limited land access farmer, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

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

Sec. 22. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which time the beginning farmer or owner of agricultural assets must apply to the authority for recertification.

(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than \$6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to emerging farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging farmers that is not allocated by ~~September 30~~ June 1 of the taxable year is available for allocation to other credit allocations beginning on ~~October 1~~ June 2.

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

Sec. 23. Minnesota Statutes 2024, section 41B.0391, subdivision 6, is amended to read:

Subd. 6. **Report to legislature.** (a) No later than February 1, ~~2024~~, each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section ~~issued in tax years beginning after December 31, 2017, and before January 1, 2024.~~

(b) The report must include background information on beginning farmers in Minnesota and any other information the commissioner and authority find relevant to evaluating the effect of the credits on increasing opportunities for and the number of beginning farmers.

(c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report must include:

(1) the number and amount of credits issued under each clause;

(2) the geographic distribution of credits issued under each clause;

(3) the type of agricultural assets for which credits were issued under clause (1);

(4) the number and geographic distribution of beginning farmers whose purchase or rental of assets resulted in credits for the seller or owner of the asset;

(5) the number and amount of credits disallowed under subdivision 2, paragraph (d); and

(6) data on the number of beginning farmers by geographic region ~~in calendar years 2017 through 2023~~, including:

(i) the number of beginning farmers by race and ethnicity, as those terms are applied in the 2020 United States Census; and

(ii) to the extent available, the number of beginning farmers who are ~~emerging limited land access farmers; and~~.

~~(7) the number and amount of credit applications that exceeded the allocation available in each year.~~

(d) For credits issued under subdivision 3, the report must include:

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

(3) a listing and description of each approved financial management program for which credits were issued; and

(4) a description of the approval procedure for financial management programs not on the list maintained by the authority, as provided in subdivision 3, paragraph (a).

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

Sec. 24. Minnesota Statutes 2024, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal ~~or~~. Individual loans must be no less than \$50,000 and no more than \$625,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 25. Minnesota Statutes 2024, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$50,000 and no more than \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 26. Minnesota Statutes 2024, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$50,000 and no more than \$500,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 27. Minnesota Statutes 2024, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion and modernization loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan ~~or~~. Individual loans must be no less than \$50,000 and no more than \$625,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 28. Minnesota Statutes 2024, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was: (i) sustained within a county that was the subject of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly contagious animal disease in Minnesota; (iii) due to an infectious human disease for which the governor has declared a peacetime emergency; or (iv) due to an emergency as determined by the authority;

(3) demonstrate an ability to repay the loan; ~~and~~

(4) have received at least 25 percent of annual gross income from farming in the past year; and

(5) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$5,000,000.

Sec. 29. Minnesota Statutes 2024, section 41B.056, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement ~~a pilot~~ an agricultural microloan program to help finance the purchase of agricultural land or the production of specialty crops or eligible livestock. The authority may contract with an intermediary to provide an efficient delivery system for this program.

Sec. 30. Minnesota Statutes 2024, section 41B.057, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

(1) add value to crops or livestock produced in Minnesota; or

~~(2) adopt best management practices that emphasize sufficiency and self-sufficiency;~~

~~(3) reduce or improve management of agricultural inputs resulting in environmental improvements; or~~

~~(4)~~ (2) increase production of on-farm energy.

Sec. 31. Minnesota Statutes 2024, section 41B.057, subdivision 3, is amended to read:

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$100,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rate on the loans must not exceed six percent. A borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and an amount in subsequent years that is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 32. Minnesota Statutes 2024, section 223.17, subdivision 3, is amended to read:

Subd. 3. **Grain buyers and storage account; fees.** (a) The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. The fee for any license issued or renewed after June 30, 2005, shall be set according to the following schedule: 2025, is \$500 for each licensed location. A licensed location with no grain bin capacity must be charged a \$350 examination fee.

~~(1) \$140 plus \$110 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;~~

~~(2) \$275 plus \$110 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;~~

~~(3) \$415 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;~~

~~(4) \$550 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and~~

~~(5) \$700 plus \$220 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.~~

~~(b) In addition to the license fee required under paragraph (a), a grain buyer must pay to the commissioner an annual examination fee for each licensed location, as follows:~~

Bushel Capacity	Examination Fee
Examinations without a grain measure	\$ 100
Less than 150,001	\$ 300
150,001 to 250,000	\$ 425
250,001 to 500,000	\$ 545
500,001 to 750,000	\$ 700
750,001 to 1,000,000	\$ 865

1,000,001 to 1,200,000	\$ 1,040
1,200,001 to 1,500,000	\$ 1,205
1,500,001 to 2,000,000	\$ 1,380
More than 2,000,000	\$ 1,555

(b) Examination fees must be calculated based on bushel capacity of each licensed location with a charge of \$0.0035 per bushel of capacity.

(c) Examination fees must not be less than \$350 and must not exceed \$4,000.

~~(e)~~ (d) The fee for any supplemental examination required by the commissioner under section 223.23 is ~~\$55~~ \$110 per hour per examiner.

~~(d)~~ (e) A licensed grain buyer meeting the annual examination requirements under section 223.23 is exempt from the fees under paragraph (b) if the annual examination is conducted by the Agricultural Marketing Service of the United State Department of Agriculture.

~~(e)~~ (f) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

~~(f)~~ (g) There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.23 shall be paid into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.23.

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

Sec. 33. Minnesota Statutes 2024, section 232.22, subdivision 3, is amended to read:

Subd. 3. **Fees; grain buyers and storage account.** (a) There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for examinations, certifications, and licenses under sections 232.20 to 232.24 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.24. All money collected pursuant to sections 232.20 to 232.24 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.24.

(b) All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account. Money in the account is appropriated to the commissioner for the administration and enforcement of chapter 231.

(c) The fees for a license to store grain are as follows:

(1) for a license to store grain, ~~\$110~~ \$300 for each home rule charter or statutory city or town in which a public grain warehouse is operated; and

~~(2) in addition to the license fee required under clause (1), a person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, as follows:~~

Bushel Capacity	Examination Fee
-----------------	-----------------

Less than 150,001	\$	300
150,001 to 250,000	\$	425
250,001 to 500,000	\$	545
500,001 to 750,000	\$	700
750,001 to 1,000,000	\$	865
1,000,001 to 1,200,000	\$	1,040
1,200,001 to 1,500,000	\$	1,205
1,500,001 to 2,000,000	\$	1,380
More than 2,000,000	\$	1,555

~~(3)~~ (2) the fee for supplemental examinations required by the commissioner under section 232.24 is ~~\$55~~ \$110 per hour per examiner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

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

Sec. 34. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

- (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;
- (2) shall not blend the gasoline with any oxygenate other than biofuel;
- (3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;
- (4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and
- (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 35. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

- (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-11b~~ D4814-24a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 36. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 37. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 38. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 39. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-11b~~ D4814-24a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 40. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 41. **[343.256] ELECTIVE DECLAWING PROHIBITED.**

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

(b) "Cat" means an animal of the taxonomic family *Felidae*.

(c) "Declawing" means an onychectomy or any other surgical procedure to amputate or modify a portion of a cat's paw in order to remove the cat's claws. Declawing does not include the trimming of nonviable claw husk or placing nonpermanent nail caps.

(d) "Procedure performed solely for a therapeutic purpose" means a medically necessary procedure to address an existing or recurring infection, disease, injury, or abnormal condition in the claws, nail bed, or toe bone that jeopardizes the cat's health. Procedure performed solely for a therapeutic purpose does not include a procedure performed for a cosmetic or aesthetic purpose or to make a cat more convenient to keep or handle.

(e) "Tendonectomy" means a procedure in which the tendons to a cat's limbs, paws, or toes are cut or modified so that the normal functioning of the claws is impaired.

Subd. 2. **Prohibited acts.** Except as provided in subdivision 3, a person must not perform surgical claw removal, declawing, or a tendonectomy on any cat or otherwise alter a cat's toes, claws, or paws in a manner that prevents or impairs the normal function of the cat's toes, claws, or paws.

Subd. 3. **Therapeutic purpose.** The prohibition in subdivision 2 does not apply to a procedure performed solely for a therapeutic purpose.

Sec. 42. **LOCAL FOOD PURCHASING ASSISTANCE GRANT PROGRAM.**

(a) The commissioner of agriculture may award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity. When awarding grants, the commissioner of agriculture must give preference to applicants that:

(1) source 100 percent of food from Minnesota;

(2) source at least 70 percent of food from farmers who are experiencing limited land access or limited market access as defined in Minnesota Statutes, section 17.133, subdivision 1; and

(3) demonstrate strong connections to individuals whose needs are not met through the traditional emergency food system.

(b) Eligible applicants include but are not limited to individuals, nonprofit organizations, for-profit businesses, Tribal governments, government entities, agricultural cooperatives, economic development organizations, and educational institutions.

(c) Grantees may use up to 15 percent of each grant awarded under this section for administrative and transportation expenses.

Sec. 43. **REPEALER.**

(a) Minnesota Statutes 2024, section 239.77, subdivision 5, is repealed.

(b) Minnesota Statutes 2024, sections 35.68; and 35.830, are repealed.

Sec. 44. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective August 1, 2025.

ARTICLE 4**LIVESTOCK MARKET AGENCY AND DEALER LICENSING PROVISIONS**

Section 1. Minnesota Statutes 2024, section 17A.03, subdivision 8, is amended to read:

Subd. 8. **Livestock dealer agent.** "Livestock dealer agent" means any individual who is engaged by a livestock dealer to act as the dealer's representative.

Sec. 2. Minnesota Statutes 2024, section 17A.03, subdivision 10, is amended to read:

Subd. 10. **Meat packing plants companies, packers, and slaughtering houses.** "Meat packing plants companies," "packers," and "slaughtering houses" ~~means mean~~ places of business where livestock purchased or acquired is slaughtered that have the meaning given to "packers" as defined in section 31B.02, subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 17A.03, subdivision 11, is amended to read:

Subd. 11. **Buying station.** "Buying station" means any stockyard or concentration point, other than a public stockyard, at which livestock is bought and sold or assembled for shipment to a meat packing plant company or a public stockyard, or graded or weighed for the purpose of establishing a basis for sale or reshipment.

Sec. 4. Minnesota Statutes 2024, section 17A.03, is amended by adding a subdivision to read:

Subd. 16. **Meat packing company agent.** "Meat packing company agent" means an individual who is engaged by a meat packing company to act as the company's representative.

Sec. 5. Minnesota Statutes 2024, section 17A.04, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions.** (a) Licenses shall be issued to livestock market agencies and public stockyards annually and shall expire on December 31 each year, renewable annually thereafter. A separate license must be obtained for each separate geographical location even though operated under the same management or same person, partnership, firm, corporation, or livestock market. The license issued to a livestock market agency ~~and~~ or public stockyard shall be conspicuously posted at the licensee's place of business.

(b) Licenses shall be required for livestock dealers ~~and their agents,~~ livestock dealer agents, meat packing companies, and meat packing company agents for the period beginning July 1 each year and ending June 30. A license issued under this subdivision is renewable annually thereafter. The license issued to a livestock dealer ~~or the agent of a,~~ livestock dealer agent, meat packing company, or meat packing company agent shall be carried by the person ~~so~~ who is licensed. ~~The A~~ A livestock dealer ~~or meat packing company~~ shall be responsible for the acts of the ~~dealer's agents~~ livestock dealer agent or meat packing company agent. Licensed livestock market agencies, public stockyards, and livestock dealers shall be responsible for the faithful performance of duty of the public livestock weighers at their places of business. The license issued to a livestock market agency, public stockyard ~~or,~~ meat packing company, meat packing company agent, livestock dealer, or agent ~~of a~~ livestock dealer agent is not transferable. The operation of livestock market agencies, livestock

dealers, agents, and packers meat packing companies at a public stockyard are exempt from sections 17A.01 to 17A.09 and 17A.12 to 17A.17.

Sec. 6. Minnesota Statutes 2024, section 17A.04, subdivision 2, is amended to read:

Subd. 2. **Application.** Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard, livestock dealer agent, meat packing company, or meat packing company agent shall make application to the commissioner on a form or forms provided by the commissioner.

Sec. 7. Minnesota Statutes 2024, section 17A.04, subdivision 4, is amended to read:

Subd. 4. **Surety bonds required.** Each livestock market agency and livestock dealer applying for a license ~~under Laws 1974, chapter 347~~ shall file with the commissioner a valid and effective bond issued by a surety company licensed to do business in this state, or meeting the requirements of section 17A.05, in the form and amount set forth in section 17A.05. No bond shall be required of a public stockyard or any agent of a bonded livestock dealer. The commissioner may at any time raise or lower bond requirements if it appears that a modification of such bond requirements is justified and will protect the public. The bonds of livestock market agencies and dealers whose residence or principal place of business is within the state of Minnesota shall name the commissioner as the trustee. ~~Any A license issued under Laws 1974, chapter 347~~ shall automatically become void upon the termination of the surety bond covering the licensed operations.

Sec. 8. Minnesota Statutes 2024, section 17A.04, subdivision 6, is amended to read:

Subd. 6. **Refusal to license.** The commissioner shall refuse to issue or renew a livestock market agency, meat packing company, or livestock dealer license if the applicant has not filed a surety bond in the form and amount required under this section and section 17A.05; the commissioner may refuse to issue or renew a license if the applicant: (1) has not satisfactorily demonstrated by a current balance sheet and financial statement that the applicant's assets exceed liabilities; (2) has been found by the department to have failed to pay, without reasonable cause, obligations incurred in connection with livestock transactions; (3) has failed to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; or (4) has failed to comply with other statutes, rules, or regulations enforced by the commissioner, the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration.

Sec. 9. Minnesota Statutes 2024, section 17A.04, subdivision 7, is amended to read:

Subd. 7. **Revocation of license.** Whenever the commissioner finds that any livestock market agency, meat packing company, or livestock dealer has violated the provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, the commissioner may, by order, pursuant to the provisions of chapter 14, and this subdivision, revoke the license of the offender. ~~Before any such license shall be revoked, the licensee shall be furnished with a statement of the complaints made against the licensee, and a hearing shall be had before the commissioner upon at least ten days' notice to the licensee to determine whether such license shall be revoked, which notice may be served either by certified mail addressed to the address of the licensee as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for hearing, the commissioner or any~~

~~official, employee or agent of the department authorized by the commissioner, shall receive evidence, administer oaths, examine witnesses, hear the testimony and thereafter file an order either dismissing the proceedings or revoking the license.~~

Sec. 10. Minnesota Statutes 2024, section 17A.04, subdivision 8, is amended to read:

Subd. 8. **Suspension of license.** Whenever the commissioner finds that the licensee has violated provisions of this chapter, or has failed to comply with other laws, rules, or regulations enforced by the Board of Animal Health, the Division of Weights and Measures of the Department of Commerce, or the federal Packers and Stockyards Administration, and that the continued activity of a licensee may cause irreparable injury or loss to persons engaged in business with the licensee, the commissioner may, without hearing, suspend the license of the licensee, provided that when a license is so suspended, the commissioner shall immediately initiate procedures to afford the licensee a hearing pursuant to subdivision 7 ~~except that the ten days' notice required in subdivision 7 may be waived by the licensee.~~

Sec. 11. Minnesota Statutes 2024, section 17A.06, subdivision 2, is amended to read:

Subd. 2. **Hearing on claims.** In case of default by the licensee, the commissioner shall have the power to have the matter heard as a contested case pursuant to procedures outlined in chapter 14. ~~No hearing shall be required if all affected parties to a bond claim proceeding waive their right to a hearing and agree to accept the commissioner's determination as to the validity of the claim and the allocation of the proceeds of the bond.~~ The commissioner must first determine whether a claim is valid. If the commissioner determines that a claim is valid, the commissioner must notify the licensee of the determination and that the licensee has 15 days to either pay the claim or appeal the determination. If the licensee does not respond within 15 days, the determination must be considered a final order by the commissioner. If the commissioner determines that a claim is not valid, the commissioner must notify the claimant of the determination and that the claimant has 15 days to appeal the determination. If the claimant does not respond within 15 days, the determination must be considered a final order by the commissioner.

Sec. 12. Minnesota Statutes 2024, section 17A.06, subdivision 3, is amended to read:

Subd. 3. **Public notice.** ~~Prior to a hearing~~ After the commissioner determines that a claim is valid, the commissioner shall publish a notice setting forth the default of the licensee and requiring all claimants to file proof of claim with the commissioner within 45 days of the date such notice is published or be barred from participating in the proceeds of the bond. Such publication shall be made in a newspaper published in the county in which the licensee's principal place of business is located. The commissioner shall also fulfill any notice requirements prescribed by chapter 14 and rules of the Office of Administrative Hearings. No claim shall be allowed unless it is filed with the commissioner within one year of the date of the transaction. If a livestock market agency, meat packing company, or livestock dealer has on file a Packers and Stockyards Act bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations will control.

Sec. 13. Minnesota Statutes 2024, section 17A.07, is amended to read:

17A.07 PROHIBITED CONDUCT.

It shall be unlawful for any person to: (1) carry on the business of a livestock market agency, livestock dealer, livestock dealer agent, meat packing company, meat packing company agent, or public stockyard without a valid and effective license issued by the commissioner under the provisions of section 17A.04; (2) carry on the business of a livestock market agency, meat packing company, or livestock dealer without filing and maintaining a valid and effective surety bond in conformity with sections 17A.04 and 17A.05; (3) carry on the business of a livestock market agency, meat packing company, or livestock dealer if the person cannot pay debts as they become due or ceases to pay debts in the ordinary course of business as they become due; (4) use or allow to be used any livestock scale or monorail scale which has not been certified and approved for official use or has been found to be inaccurate; (5) fail to maintain and operate livestock or monorail scales in a manner to ensure accurate and correct weights; (6) weigh livestock or carcasses at other than true and correct weights or issue accounts and records on the basis of inaccurate or incorrect weights; (7) engage in or use any unfair or deceptive practice or device in connection with marketing of livestock; (8) willfully make or cause to be made any false entry or statement of fact in any application, financial statement or report filed with the department under this chapter.

Sec. 14. Minnesota Statutes 2024, section 17A.08, is amended to read:

17A.08 RECORD KEEPING.

Every person shall make and retain such accounts, records, and memoranda necessary to fully and correctly disclose all transactions involved in the person's business, including the true ownership of such business by stockholding or otherwise. Whenever the commissioner finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in the person's business, the commissioner may ~~prescribe~~ take enforcement actions in addition to prescribing the manner or form and length of time for retention which such accounts, records, and memoranda shall be kept. The commissioner shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any person being investigated or proceeded against.

Sec. 15. Minnesota Statutes 2024, section 17A.15, is amended to read:

17A.15 POWERS AND DUTIES OF COMMISSIONER.

The commissioner shall enforce the provisions of ~~Laws 1974, chapter 347~~ this chapter and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable, and may cooperate with any department of state or government, to carry out the provisions of sections 17A.01 to 17A.15. The commissioner or a duly authorized agent shall have the power to issue subpoenas, administer oaths and affirmations, examine witnesses, receive evidence, and shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation or administrative proceeding.

Sec. 16. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

ARTICLE 5**SEED POTATO PROVISIONS**

Section 1. Minnesota Statutes 2024, section 18J.01, is amended to read:

18J.01 DEFINITIONS.

(a) The definitions in this section; chapters 18G, 18H, 18K, 27, 223, 231, and 232; and sections 18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21 21.111 to 21.125 and 21.80 to 21.92 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections ~~21.80~~ 21.111 to 21.92 21.125.

Sec. 2. Minnesota Statutes 2024, section 18J.02, is amended to read:

18J.02 DUTIES OF COMMISSIONER.

The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections 21.111 to 21.125, and 21.80 to 21.92; and associated rules.

Sec. 3. Minnesota Statutes 2024, section 18J.03, is amended to read:

18J.03 CIVIL LIABILITY.

A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 or 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 4. Minnesota Statutes 2024, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, grain, household goods, general merchandise, produce, or other living or nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 5. Minnesota Statutes 2024, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) sampling of sites, seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects that are manufactured, stored, distributed, handled, or

disposed of at those sites and regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may threaten public health or the environment.

Sec. 6. Minnesota Statutes 2024, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Sec. 7. Minnesota Statutes 2024, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines

that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Sec. 8. Minnesota Statutes 2024, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Sec. 9. Minnesota Statutes 2024, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution, stop-sale, or other order.

Sec. 10. Minnesota Statutes 2024, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 11. Minnesota Statutes 2024, section 18J.06, is amended to read:

18J.06 FALSE STATEMENT OR RECORD.

A person must not knowingly make or offer a false statement, record, or other information as part of:

- (1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;
- (2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or
- (3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 12. Minnesota Statutes 2024, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 13. Minnesota Statutes 2024, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Sec. 14. Minnesota Statutes 2024, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 15. Minnesota Statutes 2024, section 18J.09, is amended to read:

18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary account under section 18H.17, industrial hemp account under section 18K.07, ~~or~~ seed potato inspection account under section 21.115, seed inspection account under section 21.92, or grain buyers and storage account under sections 223.17 and 232.22.

Sec. 16. Minnesota Statutes 2024, section 21.111, is amended to read:

21.111 DEFINITIONS.

Subdivision 1. **Scope.** When used in sections 21.111 to ~~21.122~~ 21.125 the terms defined in this section shall have the meanings ascribed to them.

~~Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by the potato plants are examined by or under the authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records, including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.~~

Subd. 3. **Certified.** "Certified" means that the potatoes were inspected while growing in the field and, when possible, again after being harvested, and were thereafter duly certified by or under the authority of the commissioner, as provided in sections 21.111 to ~~21.122~~, and as provided by ~~rules adopted and published by the commissioner~~ 21.125. For seed potatoes produced in a lab, certified means that:

(1) the seed potato lab facilities and the lab's procedures and protocols have been examined under the authority of the commissioner; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to ~~21.122~~ 21.125.

~~Subd. 3a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections, shipping point inspections, winter tests, and other certification functions to be carried out by personnel employed by either entity according to methods determined by the certification entities of the respective areas. The commissioner may extend seed potato certification services to states where growers wish to grow certified seed potatoes and the state does not have a seed potato certification program. Any agreement must be reported to the chairs of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.~~

Subd. 3b. **Certified seed potatoes.** "Certified seed potatoes" means potatoes that have been produced, graded, sacked or placed in bulk, inspected, and certified in accordance with this chapter.

Subd. 3c. **Class.** "Class" means the seed quality level related to compliance with tolerances for diseases and varietal purity.

Subd. 3d. **Clone.** "Clone" means a unit of seed potatoes that is the progeny of one plant, which has been tested to become eligible to produce Generation 1 class seed potatoes.

Subd. 3e. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Subd. 3f. **Crop.** "Crop" means all lots produced on a farm in one year.

Subd. 3g. **Department.** "Department" means the Department of Agriculture.

Subd. 3h. **Explant.** "Explant" means an in vitro potato plant or a plantlet that is produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant and that serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subd. 3i. **Farm.** "Farm" means a potato-growing enterprise. Farm includes all land, equipment, storage facilities, and laborers used to produce potatoes.

Subd. 3j. **Field.** "Field" means a plot of land on a farm where potatoes are grown.

Subd. 3k. **Inspected.** (a) For plants growing in a field, "inspected" means that the commissioner has examined the plants in the field where the plants are grown and has visually assessed the plants for disease and factors impacting quality.

(b) For harvested potatoes, inspected means that the commissioner has observed the tubers and, when requested, the commissioner has evaluated the tubers for quality and conditions described in section 21.125.

(c) For seed potatoes produced by a laboratory, inspected means that the commissioner has examined the seed potatoes and the laboratory's records, including records related to the laboratory's procedures and protocols.

Subd. 3l. **Lot.** "Lot" means a group of seed potatoes of one variety, planted in one continuous plot, grown on the same farm, and physically separated from other lots while being grown and stored.

Subd. 3m. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied, under controlled laboratory conditions.

Subd. 3n. **Roguing.** "Roguing" is the process of removing infected plants from a field of certified seed potatoes.

Subd. 3o. **Stand.** "Stand" is the live plant population in a certified seed potato lot.

Subd. 5. **Seed potatoes.** "Seed potatoes" means potatoes used, sold, offered or exposed for sale, or held with intent to sell or as a sample representing any lot or stock of potatoes offered or exposed for sale or held with intent to sell within this state, for the purpose of planting.

Subd. 6. **Person.** "Person" includes an individual, partnership, corporation, company, society, association, and firms.

Subd. 7. **Physically separated.** "Physically separated" means separated by at least the width of one row and markings such as flags at every corner of the lot.

Subd. 8. **Rejected.** "Rejected" means that a field or lot fails to meet the certification standards in this chapter.

Subd. 9. **Tuber units.** "Tuber units" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

Subd. 10. **Winter testing.** "Winter testing" means growing out and visually inspecting a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease.

Sec. 17. Minnesota Statutes 2024, section 21.112, is amended by adding a subdivision to read:

Subd. 1a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.125. An agreement under this subdivision may provide for field inspections, shipping point inspections, winter testing, and other certification functions to be carried out by personnel employed by either the commissioner or other seed potato certification entities according to methods determined by the seed potato certification entities. The commissioner may extend seed potato certification services to a state where growers wish to grow certified seed potatoes and where the state does not have a seed potato certification program. Any agreement under this subdivision must be reported to the chairs and ranking minority members of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.

Sec. 18. Minnesota Statutes 2024, section 21.113, is amended to read:

21.113 SHIPPING POINT CERTIFICATES OF INSPECTION; CERTIFICATES OF ORIGIN; AND BULK CERTIFICATES.

Subdivision 1. **Shipping point inspections.** (a) The commissioner shall issue shipping point certificates of inspection only when seed potatoes have been inspected while growing in the field and again after being harvested.

(b) For seed potatoes produced in a lab or greenhouse, the commissioner shall issue certificates of inspection only after:

(1) the seed potato ~~lab~~ growth facility and the ~~lab's~~ growth facility's records have been inspected; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab or greenhouse.

(c) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and any other information as may be prescribed by ~~rules adopted and published under~~ sections 21.111 to ~~21.122~~ 21.125.

Subd. 2. **Other certificates.** (a) The use of a certificate of origin requires the approval of the seller and the purchaser and must only be used for intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify the producer, receiver, variety, classification, quantity, date of shipment, and lot of the seed potatoes. The limitation of warranty as described in paragraph (c) must not include any representation of the condition of the potatoes at the time of shipment. A certificate of origin must only be used for intrastate shipment if a shipping point inspection is not available. Use of a certificate of origin must be approved by the commissioner prior to shipment.

(b) A bulk certificate must include the date of issuance, class, grade, lot number, and approximate weight of the load.

(c) A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification must only represent that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with this chapter. A certification under this subdivision must not include any representation of the condition of the potatoes at the time of shipment.

Sec. 19. Minnesota Statutes 2024, section 21.115, is amended to read:

21.115 FEES; SEED POTATO INSPECTION ACCOUNT.

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the agricultural fund and credited to the seed potato inspection account of the commissioner, which account is hereby created and appropriated for carrying out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits of these moneys shall be credited to the account, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 20. Minnesota Statutes 2024, section 21.117, is amended to read:

21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS; AMENDMENTS.

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to ~~21.122~~ and the rules adopted and published thereunder 21.125.

(b) If a grower wishes to withdraw ~~a field or lab~~ an application after having made a timely application for inspection and such withdrawal is requested before the field or lab inspection has been made, the fee paid shall be refunded to said grower. A grower must submit a withdrawal request in writing and include a reason for withdrawal. A grower must remove withdrawn acres from production before the first field inspection.

(c) If a grower wishes to amend an application after submitting a timely application for inspection, the grower must submit the request in writing, including a reason for the amendment.

Sec. 21. Minnesota Statutes 2024, section 21.119, is amended to read:

21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.

It shall be unlawful to use or employ the term "certified" or the term "inspected," or any term or terms conveying a meaning substantially equivalent to the meaning of either of these terms, either

orally or in writing, printing, marking, or otherwise in reference to or in connection with, or in advertising or characterizing or labeling seed potatoes or the containers thereof, unless such potatoes shall have been duly inspected and certified pursuant to the provisions of sections 21.111 to ~~21.122~~ 21.125.

Sec. 22. Minnesota Statutes 2024, section 21.1195, is amended to read:

21.1195 MINIMUM STANDARDS FOR PLANTING.

(a) Seed Potatoes may not be planted in the state in lots of ten or more acres unless the seed meets the minimum disease standards prescribed by the commissioner. Seed Potatoes may meet the standards by being certified in accordance with this chapter and rules adopted by the commissioner, or under the certification program of another state or province which, in the judgment of the commissioner, provides equivalent assurances of seed potato quality. Seed Potatoes may be planted without certification if they have had at least field inspection as required for certified seed potatoes, have passed the field inspection standards of disease tolerance, and are free from ring rot. ~~A person that plants seed potatoes in violation of this section is subject to a civil penalty of \$20 per acre for each acre or part of an acre planted in violation of this section.~~ Failure to maintain complete and accurate records in accordance with this section ~~or rules adopted by the commissioner is an additional violation resulting in a separate civil penalty of \$200 for each failure~~ is a violation and subject to enforcement under chapter 18J.

(b) If there is not available to be planted in this state, in any year, a sufficient volume of potato seed meeting certified seed potato disease standards, in any or all varieties, the commissioner may, upon application by one or more growers, permit seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious disease threat.

(c) Each grower shall keep records of each lot of ~~seed~~ potatoes planted. For each growing season, the records must include, by field, the variety, planting location, and source of the seed potatoes. Each grower shall register fields and file records as prescribed by the commissioner. All records must be made available for inspection by the commissioner or the commissioner's agents during normal business hours.

(d) In addition to the enforcement powers and penalties in this section, the commissioner may issue a subpoena to a grower in order to compel delivery of records which are required under this section. These subpoenas are enforceable by any court of competent jurisdiction.

Sec. 23. Minnesota Statutes 2024, section 21.1196, subdivision 2, is amended to read:

Subd. 2. **Restriction.** (a) ~~The seed potato certification requirements under sections 21.111 to 21.122 apply to potatoes grown in plots of ten acres or more in the restricted seed potato growing area. Qualifying potatoes grown in the restricted seed potato growing area must be certified as seed potatoes. A grower who seeks to plant potatoes in the restricted seed potato growing area and who does not intend to have the potatoes certified as seed potatoes must meet the following requirements:~~

(1) seed potatoes planted in the restricted seed potato growing area must have been certified before planting. For seed potatoes to be certified, the seed potatoes must meet the standards of this chapter or the standards of a certification program of another state or province that, in the judgment of the commissioner, provides equivalent assurances of seed potato quality;

(2) certification documentation for all lots planted on a farm must be filed with the Department of Agriculture;

(3) planted lots must meet tolerances for certified class seed potatoes; and

(4) the potato plants must be inspected by the commissioner during a site visit.

(b) The commissioner may enter and inspect plots subject to paragraph (a) during the growing season.

(c) Potatoes grown in the restricted seed potato growing area that have not met the requirements for certification must not be labeled, marketed, or sold as certified seed potatoes.

(d) If, in any year, a sufficient volume of potato seed that meets certification standards related to disease, in any or all varieties, is not available to be planted in Minnesota, the commissioner may, upon application by one or more growers, permit potato seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious threat of disease to the public.

Sec. 24. **[21.123] SEED POTATO CERTIFICATION.**

Subdivision 1. Eligibility. In order to produce certified seed potatoes, a grower must comply with the following requirements:

(1) a grower must ensure that potatoes meet the tolerances prescribed by this chapter and the potatoes have been inspected by the commissioner while growing in a field;

(2) a grower must ensure that all potatoes planted on the grower's farm have been entered for certification by the commissioner;

(3) a grower must ensure that each lot is grown while physically separated from other lots. Markers must be visible to an inspector from anywhere in the area of separation;

(4) a grower must submit an application for certification before June 16 each year on forms provided by the commissioner. The commissioner must charge a ten percent late registration fee to a grower who submitted an application postmarked after June 15 and before July 1. The commissioner may extend the deadline due to special circumstances, such as a natural disaster, that make it impractical or impossible for planting to be completed by the deadline and that affect an area or large number of growers. A grower must make a request for an extension in writing before June 16;

(5) an application for certification must include a North American Health Certificate and a shipping point certificate, bulk seed certificate, or certificate of origin. The commissioner must not accept an incomplete application for certification;

(6) an application for recertification must demonstrate that the seed potatoes being entered for recertification originated from a class system in Minnesota or another state or province under the supervision of another certifying agency; and

(7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower must

not sell or label potatoes as certified seed potatoes when the potatoes were grown in a rejected field or lot.

Subd. 2. **Certification process.** (a) As part of the certification process, the commissioner must visually inspect sample plants and tubers from each field and lot belonging to the grower, except that the commissioner is not required to visually inspect sample plants and tubers when certifying pre-nuclear class potatoes.

(b) For seed potato varieties that do not exhibit visible symptoms of a specific pathogen, the commissioner must subject the seed potatoes to laboratory tests to determine the level of a pathogen in a seed lot. Testing under this paragraph may occur during the growing season, the storage season, or winter testing.

(c) The commissioner must not accept an application for certification from a grower in a community or county without sufficient acreage for total inspection fee charges to cover the cost of wages and expenses of the commissioner to complete an inspection. The commissioner must make a determination of sufficient acreage under this paragraph before conducting an inspection as part of the certification process.

(d) The commissioner must not inspect a field for certification unless both the planted seed potato variety and the particular planted lot have been authorized by the commissioner. When considering the authorization of a particular seed potato variety for planting as certified seed potatoes, the commissioner must consider scientific evidence and the expert opinions of inspectors.

(e) The following classes of seed potatoes are eligible for planting as certified seed potatoes: Pre-nuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and experimental class seed potatoes. The commissioner may authorize the planting of Certified (C) class or Generation 6 (G6) class seed potatoes if the commissioner determines that the seeds do not pose a serious threat of disease to the public.

Subd. 3. **Bacterial ring rot or potato spindle tuber viroid.** If the commissioner finds the presence of bacterial ring rot or potato spindle tuber viroid in a field or lot, the commissioner must reject the entire field or lot. If the commissioner discovers a single plant in a field or a tuber in storage that is infected with bacterial ring rot or potato spindle tuber viroid, the commissioner must reject the entire field or lot where the plant was grown. If the commissioner has not found bacterial ring rot or potato spindle tuber viroid in a field or lot, the field or lot is not necessarily free from either disease.

Subd. 4. **Winter testing.** (a) In order to detect certain virus diseases, the commissioner must conduct winter testing of a sample from each class seeking eligibility for recertification, except PN, G1, and experimental classes. The commissioner must grow out and visually inspect a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease. If, during a visual inspection, a plant shows signs of potato virus Y or potato leafroll virus, or if the plant is of a variety that does not express visual symptoms of infection, the commissioner must ensure that a sample of the plant is lab tested for potato virus Y and potato leafroll virus. The commissioner must determine whether a field or lot contains the threshold amount of disease permitted under section 21.124, subdivision 9. The commissioner must include any lot that passes winter testing in the approved list of certified seed lots eligible for recertification.

(b) If the commissioner determines that a winter test of a lot or field has a serious malfunction, the commissioner must base classification of the lot or field on summer field readings from the previous year or lab testing.

(c) Instead of winter testing a sample of winter grow out, the commissioner may accept comprehensive lab testing if the commissioner determines that special circumstances exist, such as a natural disaster, that would make submission of samples for inclusion in winter testing impractical or impossible.

(d) The commissioner must reject a field or lot if the commissioner determines that a large number of plants are missing from the field or lot due to disease.

(e) The commissioner must reject a field or lot if the commissioner determines that the field or lot contains a large number of weak plants.

(f) The commissioner may reject a field or lot if the field or lot contains a large number of plants that have a mixture of variety.

Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed origin. Seed potato certification classes are: Prenuclear, Generation 1, Generation 2, Generation 3, Generation 4, Generation 5, Generation 6, and Certified.

Subd. 6. **Experimental status.** (a) Lots from a breeder's seed that have not been tested and have not been determined to be virus-free are considered experimental. The commissioner must designate seedlings or numbered selections in experimental status as a class and determine requirements of that class.

(b) To obtain experimental status under this subdivision, an applicant must submit a written statement from the seedlings' or numbered selections' breeder, originator, or originator's designee verifying that the applicant has full and unrestricted rights to introduce the seedlings or numbered selections into the commercial market and that the applicant may apply to enter the seedlings or numbered selections into the certification system. The written statement must accompany the certification application submitted by the applicant.

(c) After reviewing the applicant's written statement and certification application, the commissioner may designate seedlings or numbered selections described in the application as having experimental status.

(d) After an applicant is notified by the commissioner that the seedlings or numbered selections have experimental status, the applicant must ensure that the seedlings or numbered selections are tagged with the word "EXPERIMENTAL."

Subd. 7. **Protected varieties.** If an applicant seeks to enter a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 into the certification system, the applicant must submit a written statement from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the certification system. The applicant must ensure that the written statement accompanies the certification application for any protected seed potato variety.

Subd. 8. **Certification factors; field inspection.** (a) The commissioner must consider the following factors when conducting a field inspection pursuant to a certification application:

(1) the commissioner must reject a field or lot if a large number of plants are missing due to disease;

(2) the commissioner must reject a field or lot if the field or lot contains a large number of weak plants;

(3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification planting;

(4) the commissioner must reject a field or lot if the field or lot contains potatoes with a level of disease higher than the acceptable tolerance for the disease for the potatoes' seed potato certification class according to section 21.124, subdivision 9;

(5) the commissioner must reject a field or lot if the field or lot contains a percentage of diseased plants that exceeds the acceptable percentage of disease listed in section 21.124 for the seed potato certification class;

(6) the commissioner must reject a field or lot if any of the following are present in the field or lot to such an extent that the commissioner is unable to complete a satisfactory inspection for diseases: early or late blight, blackleg or wilt of any kind, weeds, plant injury from insects, or chemical damage; and

(7) the commissioner must reject a field or lot if any other conditions are present to such an extent that the commissioner is unable to make a satisfactory inspection for diseases.

(b) The commissioner must determine that a field is ineligible for certification if cull piles are in such close vicinity to the field that it is likely that the field is contaminated.

(c) The commissioner must make at least two field inspections of a field during the growing season. The commissioner must conduct a final inspection of a field for bacterial ring rot during the time of year that symptoms of bacterial ring rot are most likely to be observed. If the commissioner is unable to conduct a final inspection under this paragraph due to management practices of the grower or for a reason that is out of the grower's control, such as a natural disaster, the grower must ensure that laboratory testing is conducted to maintain eligibility for certification. An additional inspection or additional laboratory testing may be necessary to meet phytosanitary requirements in established markets in another state or in a Canadian province.

Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are present in a field in amounts greater than the maximum disease tolerance level, the grower must rogue the field and remove the infected plants before the final inspection by the commissioner. If a grower has completed roguing a field after tubers have formed, the grower must remove and destroy all tubers from rogued plants.

Subd. 10. **Storage.** (a) A grower must ensure that a lot is stored under conditions that prevent disease contamination. A grower must not store a lot in any warehouse where other potatoes are stored, unless the grower labels the lot according to paragraph (b).

(b) If more than one grower stores lots in the same warehouse, each grower must identify the grower's lots by labeling the bin containing the lot with the grower's name, the grower's address, the variety of potatoes in the bin, and the number of potatoes in the bin.

(c) If a grower plans to store a lot in a public warehouse or storage unit that is not directly under the grower's control, the grower must send a complete record of storage to the commissioner prior to storing the lot. The record must include the address and location of the public warehouse or storage unit, the variety of potatoes in each bin, and the number of potatoes in each bin. If a warehouse receipt for the lot is available, the grower must submit a copy of the warehouse receipt to the commissioner. If more than one grower stores lots in the same public warehouse or storage unit, the grower must label each lot according to paragraph (b).

(d) A grower must not use the same equipment for grading and handling lots of certified seed potatoes and other potatoes. If a grower has used the same equipment for grading and handling certified seed potatoes and other potatoes, the commissioner must reject the grower's lots.

(e) A firm that handles lots under contract must label each bin containing a lot with the name of the grower whose lots are being stored. A firm handling lots under contract must properly label and handle bins containing lots. A certification tag or bulk certificate must not be issued unless all bins are properly labeled according to this paragraph.

(f) By November 1 of each crop year, a grower must submit to the commissioner a completed storage and yield report for each lot on a form prescribed by the commissioner. The commissioner may extend the deadline after November 1 due to special circumstances, such as a natural disaster, that would make it impractical or impossible for a grower to complete harvesting and storage by November 1 and that affect an area or a large number of growers. A grower must submit a written request for an extension to the commissioner before November 1 of the crop year for which the extension is sought.

Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125, a grower may tag the potatoes using an approved tag indicating the grade of potatoes as blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or white-tag-certified seed potato grade. A grower's name, the city where the farm is located, the potato variety, and the crop year must be printed on a tag under this subdivision.

(b) When fastening a tag to a potato sack, a grower must fasten the tag to the sack to form a seal at the time that the lot is prepared for shipment.

(c) A bulk certificate must include the date that the certificate was issued, class, grade, lot number, and approximate weight of the lot.

(d) If a grower wishes to tag the grower's own potatoes, the grower must order the tags for the grower's own potatoes.

(e) A grower may print a tag for potatoes if the grower has provided proof of each lot to the commissioner for review before using the tag. A tag printed by a grower must contain the following statement: "The quality and condition of each lot is only confirmed through a shipping point inspection certificate. This tag, without an accompanying shipping point inspection certificate, is not proof that the potatoes contained within have been duly inspected."

Subd. 12. **Certified seed potato grades.** Certified seed potatoes must be classified by certified seed potato grades based on the number of physical defects of tubers. A grower must only use a certified seed potato grade for potatoes after a shipping point inspection of the potatoes has been completed. The following three grades of certified seed potatoes must be used for Minnesota-certified seed potatoes:

(1) the blue-tag-certified seed potato grade is the first grade of certified seed potatoes. The blue-tag-certified seed potato grade is stricter than other grades. The blue-tag-certified seed potato grade does not allow as many physical defects of tubers as other grades. A grower may use the blue-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

(2) the yellow-tag-certified seed potato grade is the second grade of certified seed potatoes. The yellow-tag-certified seed potato grade allows more physical defects of tubers than the blue-tag-certified seed potato grade. A grower may use the yellow-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes; and

(3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes. The number of physical defects that the white-tag-certified seed potato grade allows is determined by an agreement between the purchaser and seller of the certified seed potatoes. A grower may use the white-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

Subd. 13. **Grading.** (a) A grower must ensure that a lot is inspected at the shipping point if the lot requires a grade statement.

(b) If an inspection at the shipping point is impossible, a grower must request a grading inspection in transit.

(c) A grower must ensure that a bagged lot or shipment offered for sale and tagged with approved certification tags is contained in new even-weight sacks.

(d) A grower must ensure that a bulk shipment is identified with a bulk certificate.

(e) A grower must ensure that a bagged lot and bulk lot or shipment meets grade standards in section 21.125.

(f) A grower must recondition a lot or shipment that fails to meet the grade standards in section 21.125.

(1) If a lot or shipment fails to meet grade standards and is contained in sacks, a grower must remove approved certification tags from the lot or shipment before the lot or shipment may proceed to its destination.

(2) If a shipment is in bulk and fails to meet grade standards in section 21.125, a bulk certificate must not be issued.

(g) If a lot or shipment fails to meet grade standards, the shipper must bear the costs of reconditioning potatoes to meet the grade standards in section 21.125.

Sec. 25. [21.124] REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.

Subdivision 1. Prenuclear class certified seed potatoes. (a) A lot grown as and intended to be prenuclear class certified seed potatoes must be grown from plants tested and shown to be free from the following pathogens:

- (1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);
- (2) *Pectobacterium atrosepticum* ssp. *Atrosepticum*, *carotovora* (blackleg);
- (3) potato virus X;
- (4) potato virus S;
- (5) potato virus A;
- (6) potato virus M;
- (7) potato virus Y;
- (8) potato spindle tuber viroid; and
- (9) potato leafroll virus.

(b) When growing prenuclear class seed potatoes, a grower must ensure that each explant or tuber is tested for organisms for which testing is required by the state or province of destination. A grower must ensure that material in maintenance is tested during the year of producing prenuclear class seed potatoes.

(c) A grower must produce prenuclear class seed potatoes in a greenhouse or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions that would allow possible disease contamination. A grower must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated from insects by screens and double doors. The commissioner may inspect any facility or equipment used for growing, handling, and storing prenuclear class seed potatoes to verify that the facility or equipment complies with this paragraph.

(d) A grower must ensure that one percent of each lot or ten plants or tubers from each lot, whichever is greater, is tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P. atrosepticum*.

(e) Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

(f) Prenuclear class certified seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes must meet the following requirements:

(1) the seed source must be either prenuclear tubers, clones, or plantlets; and

(2) tubers or plantlets must be planted in identifiable family units.

(b) Lots in Generation 1 class may be exempt from winter testing requirements if leaves collected during the growing season are laboratory tested and shown to be within the allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the commissioner.

(c) Each lot must be stored in an individual identifiable unit.

(d) Generation 1 seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture for seed potatoes in subdivision 9.

Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from generation classes of seed potatoes. Certified class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation class.** The numbers represent the percentage of potatoes that may be affected out of an individual lot.

	<u>PN</u>	<u>G1</u>	<u>G2</u>	<u>G3</u>	<u>G4</u>	<u>G5</u>	<u>G6</u>	<u>C</u>
<u>Tolerances:</u>								
<u>Severe Mosaic from potato virus Y, A, M, X, and/or S</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
<u>Leafroll</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
<u>Total</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>1</u>
<u>Other viruses</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Mycoplasmas (haywire, witches broom, yellow dwarf)</u>								
<u>Total</u>	<u>0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Blackleg</u>	<u>0</u>	<u>0</u>	<u>0.2</u>	<u>0.5</u>	<u>1</u>	<u>exc.</u>	<u>exc.</u>	<u>exc.</u>
<u>Varietal mixture</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
<u>Ring Rot and Spindle Tuber</u>								
<u>Tuber</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Winter Test:</u>								
<u>Virus or expressing symptoms of chemical damage</u>	<u>-</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

Sec. 26. [21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.

Subdivision 1. Certified seed potato grading. Potatoes must meet the requirements of sections 21.111 to 21.125 to be graded as certified seed potatoes.

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

(b) "Damage" means any defect or combination of defects that materially affects the appearance of the individual potato, or that cannot be removed without a loss of more than five percent of the total weight of the potato, including the peel covering the defective area.

(c) "Diameter" means the greatest dimension at right angles to the longitudinal axis. Diameter means the long axis.

(d) "Dry rot" means decaying tissue that is dry.

(e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

(f) "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

(g) "Mature" means that the outer skin does not loosen or feather readily during the ordinary methods of handling.

(h) "Serious damage" means any defect or combination of defects that seriously affects the appearance of the individual potato or that cannot be removed without a loss of more than ten percent of the total weight of the potato, including the peel covering the defective area.

(i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or other foreign matter.

(j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato tissues.

(k) "Well-shaped" means the normal shape for a variety.

Subd. 3. **Damage.** The commissioner must find that one or more of the following defects constitutes damage:

(1) a russet scab that materially detracts from the appearance of a potato;

(2) second growth or growth cracks that materially affect the appearance of an individual potato;

(3) air cracks when removal of the air cracks causes a loss of more than five percent of the total weight of a potato;

(4) a potato that is more than moderately shriveled, spongy, or flabby;

(5) an individual potato that has sprouts over one inch in length;

(6) a surface scab, powdery scab, or pitted scab that covers more than five percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a potato to lose more than five percent of the potato's total weight, including peel covering a defective area of the potato; or

(7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or more than 15 percent of a potato's surface is badly caked with soil.

Subd. 4. **Serious damage.** The commissioner must find that one or more of the following defects constitutes serious damage:

(1) a russet scab that seriously detracts from the appearance of a potato;

(2) the appearance of a potato is seriously affected by caked or smeared dirt or other foreign matter;

(3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato is cut away from one end, or a remaining portion of a clipped potato weighs less than six ounces;

(4) one or more cuts that seriously affect the appearance of a potato or that cannot be removed without the loss of more than ten percent of a potato's total weight, including peel covering the defective area;

(5) a potato that is excessively shriveled, spongy, or flabby;

(6) a surface scab, powdery scab, or pitted scab that covers more than 25 percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a loss of more than ten percent of a potato's total weight, including peel covering the defective area; or

(7) wireworm or air cracks that, when removed, cause a loss of more than ten percent of a potato's total weight.

Subd. 5. **Application of tolerance.** If the average of an entire lot is within the disease tolerances specified for the grade in section 21.124, subdivision 9, an individual container in the lot may contain no more than double the disease tolerance specified in section 21.124, subdivision 9, except that sprouts, at least one defective specimen with a defect other than bacterial ring rot, and one off size specimen is permitted. This subdivision does not apply to bulk conveyances.

Subd. 6. **Condition after transit.** Deterioration that developed in transit must affect the condition of potatoes. Deterioration that developed in transit must not affect the grade of potatoes.

Subd. 7. **Minnesota blue-tag-certified seed potato grade.** (a) To be graded as Minnesota blue-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scabs, surface scabs, powdery scabs, russet scabs, dry rot, other diseases, insects or worms, mechanical or other means, or flattened or depressed areas with underlying flesh discoloration; and free from serious damage caused by hollow heart, wireworm, growth cracks, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if the potatoes are labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for round or intermediate shaped varieties, the maximum potato size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum size must not be more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and the specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of a lot may be seriously damaged by internal discoloration due to causes other than hollow heart;

(iii) up to ten percent of a lot may be damaged by soil or other foreign matter;

(iv) up to 20 percent of a lot may be damaged by sprouts;

(v) up to ten percent of a lot may be seriously damaged by wireworm;

(vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a lot may contain up to a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vii) the presence of the following does not affect seed quality and must not be scored against the potatoes' grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks; and

(G) silver scurf; and

(2) for off size:

(i) up to five percent of potatoes may fail to meet the required or specified minimum size; and

(ii) up to ten percent of potatoes may fail to meet the required maximum size.

Subd. 8. **Minnesota yellow-tag-certified seed potato grade.** (a) To be graded as Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, the potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts, shriveling, pitted scabs,

surface scabs, powdery scabs, dry rot, other diseases, insects or worms, or mechanical means or other means; and free from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size specifications from the grower and the size specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of potatoes may be seriously damaged by internal discoloration due to a cause other than hollow heart;

(iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign matter;

(iv) up to ten percent of potatoes may be seriously damaged by wireworm;

(v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vi) the presence of the following does not affect seed quality and must not be scored against the grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks;

(G) silver scurf; and

(H) sprouts; and

(2) for off size:

(i) five percent for potatoes that fail to meet the required or specified minimum size; and

(ii) ten percent for potatoes that fail to meet the required maximum size.

(c) The potatoes must be fairly well-shaped, with an exception for long varieties when specified as "except for shape." When specified as "except for shape," the tubers may be misshapen.

Subd. 9. **Minnesota white-tag-certified seed potato grade.** Minnesota white-tag-certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Sec. 27. Minnesota Statutes 2024, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) A labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person. Permit fees are based on the initial sale of seed in Minnesota.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of \$75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of \$0 to \$25,000, the annual permit fee is \$75;

(2) for gross sales of \$25,001 to \$50,000, the annual permit fee is \$150;

(3) for gross sales of \$50,001 to \$100,000, the annual permit fee is \$300;

(4) for gross sales of \$100,001 to \$250,000, the annual permit fee is \$750;

- (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is \$1,500;
- (6) for gross sales of \$500,001 to \$1,000,000, the annual permit fee is \$3,000; and
- (7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of \$75. Labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

- (1) oats, wheat, and barley, 9 cents per hundredweight;
- (2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;
- (3) field corn, 17 cents per 80,000 seed unit;
- (4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;
- (5) sunflower, \$1.96 per hundredweight;
- (6) sugar beet, 12 cents per 100,000 seed unit;
- (7) soybeans, 7.5 cents per 140,000 seed unit;

(8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most closely resembling it in normal planting rate applies; and

- (9) for native grasses and wildflower seed, \$1 per hundredweight.

(e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into Minnesota by a person other than the labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are ~~October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year~~ must be determined by the commissioner and communicated annually to permit holders. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 28. **REPEALER.**

(a) Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; and 21.122, are repealed.

(b) Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; and 1510.2355, subparts 1, 2, 3a, 4, 5, 6, and 7, are repealed.

Sec. 29. **EFFECTIVE DATE.**

This article is effective August 1, 2025.

ARTICLE 6

FOOD HANDLER LICENSING PROVISIONS

Section 1. Minnesota Statutes 2024, section 28A.03, subdivision 7, is amended to read:

Subd. 7. **Principal mode of business.** "Principal mode of business" means that type of business described under paragraph (a); ~~or (b); (c) or (d)~~ in section 28A.05 within which category the greatest amount of the applicant's food business lies.

Sec. 2. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 12. **Risk category.** "Risk category" means a classification of the level of food safety risk associated with food handling, processing, preparation, and storage based upon an assessment by regulatory food safety professionals of the potential likelihood and severity of harm.

Sec. 3. Minnesota Statutes 2024, section 28A.03, is amended by adding a subdivision to read:

Subd. 13. **Gross sales or service.** "Gross sales or service" means a calculation in dollars of the total value of food sales or service at the location before taxes or deductions that includes the value of food items held for distribution to other places of business or donated.

Sec. 4. Minnesota Statutes 2024, section 28A.04, is amended to read:

28A.04 LICENSE REQUIRED; CUSTOM PROCESSING PERMIT APPLICATIONS; RENEWALS.

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business.

Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of \$50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

~~(b) (c)~~ A ~~retail or wholesale~~ food handler license shall be issued for the period ~~July~~ January 1 to June 30 following December 31 and shall be renewed thereafter by the licensee on or before ~~July~~ January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

~~(+)~~ (2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year; ~~and.~~

~~(2)~~ A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph (b) must be assessed in accordance with section 28A.08.

~~(e)~~ (e) A custom exempt food handler license shall be issued for the period July 1 to June 30 ~~following~~ and shall must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

~~(d)~~ A license for a food broker or for a food processor or manufacturer shall be issued for the period ~~January 1 to December 31 following~~ and shall be renewed thereafter by the licensee on or before ~~January 1~~ of each year, except that a license for a ~~wholesale food processor or manufacturer operating only at the state fair~~ shall be issued for the period July 1 to June 30 ~~following~~ and shall be renewed thereafter by the licensee on or before July 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.

~~(e)~~ (f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (b) must be

issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.

Subd. 2. **Custom processing or Minnesota Meat and Poultry Inspection Act permit.** In addition to the license requirements set forth in subdivision 1, every custom exempt processor or establishment operating under the Minnesota Meat and Poultry Inspection Act as defined in section 31A.31, shall obtain a custom processing permit or Minnesota Meat and Poultry Grant of Inspection permit. Application for a permit shall be made on forms provided by the commissioner. The commissioner shall cause the ~~custom~~ processor's place of business to be inspected and if the commissioner finds that the applicant's place of business complies with state standards relating to meat processing plants, a ~~custom processing~~ permit under this subdivision shall be issued to the applicant. ~~No~~ An additional fee ~~shall~~ of up to \$500 may be charged for a ~~custom processing~~ permit under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 28A.05, is amended to read:

28A.05 CLASSIFICATION FOOD HANDLER CLASSES.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) ~~Retail~~ Food handlers are persons who:

(1) sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of vending machines, and a person who sells food for consumption on site or off site if the sale is conducted on the premises that are part of a grocery or convenience store operation;

~~(b) Wholesale food handlers are persons who~~ (2) sell to others other business entities or establishments for resale; including a person who handles food in job lots (jobbers) is included in this classification; or

~~(c) Wholesale food processors or manufacturers are persons who~~ (3) process or manufacture raw materials and other food ingredients into food items, ~~or who reprocess food items, or who package food for sale to others other business entities or establishments for resale, or who commercially slaughter animals or poultry.~~ Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to ~~others other business entities or establishments~~ for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, and dairy plants as defined in section 32D.01, subdivision 6.

~~(d)~~ (b) Custom exempt food handlers are persons who only conduct custom exempt processing as defined in section 31A.02, subdivision 5. A retail or wholesale transaction may not take place in a facility operated by a person with a custom exempt food handler license.

~~(e) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.~~

Sec. 6. Minnesota Statutes 2024, section 28A.06, is amended to read:

28A.06 EXTENT OF LICENSE.

No person, except as described in section 27.03, shall be required to hold more than one license in order to engage in any aspect of food handling ~~described in section 28A.05~~ provided, except that:

(1) each issued license shall be valid for no more than one place of business, except that;

(2) a license for a mobile unit or a retail food vehicle, portable structure, or cart is valid statewide and is required to be issued only once each year unless the licensee fails to display the license as required by section 28A.07 or it is a seasonal permanent food stand, seasonal temporary food stand, food cart, or special event food stand as defined in section 157.15, in which case the duration of the license is restricted by the limitations found in the definitions in section 157.15; and

(3) the commissioner may authorize a food handler reporting \$50,000 or less gross annual food sales to conduct business activities under the food handler's license at up to two additional locations if:

(i) the food handler has reported each location and activity to the commissioner; and

(ii) the commissioner has approved each location and activity before the food handler conducts business activities at each location.

Sec. 7. Minnesota Statutes 2024, section 28A.07, is amended to read:

28A.07 ISSUANCE OF LICENSE.

Prior to the issuance or renewal of any license herein, the commissioner may cause appropriate inspections to be made to determine under applicable statutory and promulgated rule requirements, the applicant's risk category and fitness to engage in the mode(s) of business activities described in that person's license application. A valid and properly displayed license shall be sufficient to allow the licensee to engage in the manner of food handling so described in the licensee's application, provided that the commissioner may withhold authorization to engage in any aspects of business for which the applicant is not deemed fit under this section. A licensee may, at any time, apply to change such application which shall then be considered by the commissioner in the same manner as a new or renewal application hereunder.

Sec. 8. Minnesota Statutes 2024, section 28A.0753, subdivision 3, is amended to read:

Subd. 3. **Food manufacturer, processor, or distributor handlers who manufacture, process, or distribute; licensing, preemption by state.** When a food ~~manufacturer, processor, or distributor~~ handler described in section 28A.05, subdivision 1, paragraph (a), clauses (2) and (3), is licensed by the commissioner of agriculture, the food ~~manufacturer, processor, or distributor~~ handler is exempt from the licensing requirements of any municipal corporation or subdivision of state government, except for licensing requirements which may be imposed by the municipal corporation or subdivision of state government in which the ~~manufacturer, processor, or distributor~~ food handler locates a plant. All delivery equipment used by such a food ~~manufacturer, processor, or distributor~~ handler is included within the meaning of this section, whether owned or operated, independently contracted, or

contracted with a common carrier approved by the commissioner of agriculture. This delivery equipment is exempt from licensing by any municipal corporation or subdivision of state government except for those requirements which may be imposed by the municipal corporation or subdivision of state government in which the equipment is principally located. Delivery equipment approved by the commissioner of agriculture shall carry, at all times, a certificate of approval for the purposes for which the equipment is utilized. Nothing in this section is intended to permit the enactment of an ordinance regulating an activity where the state has preempted the field.

Sec. 9. Minnesota Statutes 2024, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** (a) License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

(b) The commissioner may adjust the fees in subdivision 3 every five years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Subd. 3. Fees effective ~~July 1, 2003~~ August 1, 2025.

Type of food handler	<u>Risk Category</u>	License Fee Effective July 1, 2003	Penalties	
			Late Renewal	No License
1. Retail food handler or Custom exempt food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner		\$ 50	\$ 17	\$ 33
(b) (a) Having under \$15,000 gross sales or service including food preparation or having \$15,000 to \$50,000 or less gross sales or service for the immediately previous license or fiscal year		\$ 77 <u>\$135</u>	\$ 25 <u>\$45</u>	\$ 51 <u>\$90</u>
(c) (b) Having \$50,001 to \$250,000 <u>\$125,000</u> gross sales or service for the immediately previous license or fiscal year		\$155 <u>\$200</u>	\$ 51 <u>\$67</u>	\$102 <u>\$133</u>

(d) (c) Having \$250,001 <u>\$125,001</u> to <u>\$1,000,000</u> <u>\$500,000</u> gross sales or service for the immediately previous license or fiscal year		\$276 <u>\$370</u>	\$ 91 <u>\$123</u>	\$182 <u>\$247</u>
(e) (d) Having \$1,000,001 <u>\$500,001</u> to \$5,000,000 <u>\$1,000,000</u> gross sales or service for the immediately previous license or fiscal year		\$799 <u>\$475</u>	\$264 <u>\$158</u>	\$527 <u>\$317</u>
(f) (e) Having \$5,000,001 <u>\$1,000,001</u> to \$10,000,000 <u>\$5,000,000</u> gross sales or service for the immediately previous license or fiscal year		\$1,162 <u>\$1,350</u>	\$383 <u>\$450</u>	\$767 <u>\$900</u>
(f) Having <u>\$5,000,001</u> to <u>\$10,000,000</u> gross sales or service for the immediately previous license or fiscal year		<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
(g) Having <u>\$10,000,001</u> to <u>\$15,000,000</u> gross sales or service for the immediately previous license or fiscal year		<u>\$1,376</u> <u>\$2,150</u>	<u>\$454</u> <u>\$717</u>	<u>\$908</u> <u>\$1,433</u>
(h) Having <u>\$15,000,001</u> to <u>\$20,000,000</u> gross sales or service for the immediately previous license or fiscal year		<u>\$1,607</u> <u>\$2,550</u>	<u>\$530</u> <u>\$849</u>	<u>\$1,061</u> <u>\$1,700</u>
(i) Having <u>\$20,000,001</u> to <u>\$25,000,000</u> gross sales or service for the immediately previous license or fiscal year		<u>\$1,847</u> <u>\$2,950</u>	<u>\$610</u> <u>\$984</u>	<u>\$1,219</u> <u>\$1,967</u>
(j) Having over <u>\$25,000,001</u> gross sales or service for the immediately previous license or fiscal year		\$2,001 <u>\$3,350</u>	\$660 <u>\$1,117</u>	\$1,321 <u>\$2,233</u>
2. Wholesale Food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than <u>\$30,000</u> for the immediately previous license or fiscal year and filing a statement with the commissioner		<u>\$90</u> \$ 57	<u>\$30</u> \$ 19	<u>\$60</u> \$ 38
(a) (b) Having gross sales or service of less than \$25,000 <u>\$50,000</u> for the immediately previous license or fiscal year	High Medium Low	<u>\$285</u> <u>\$195</u> <u>\$135</u>	<u>\$95</u> <u>\$65</u> <u>\$45</u>	<u>\$190</u> <u>\$130</u> <u>\$90</u>
(b) (c) Having \$25,001 <u>\$50,001</u> to <u>\$250,000</u> <u>\$125,000</u> gross sales or service for the immediately previous license or fiscal year	High Medium Low	<u>\$350</u> <u>\$260</u> <u>\$200</u>	<u>\$117</u> <u>\$87</u> <u>\$67</u>	<u>\$233</u> <u>\$173</u> <u>\$133</u>
(e) (d) Having \$250,001 <u>\$125,001</u> to <u>\$1,000,000</u> <u>\$250,000</u> gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	High Medium Low	<u>\$444</u> <u>\$415</u> <u>\$350</u> <u>\$265</u>	<u>\$147</u> <u>\$138</u> <u>\$117</u> <u>\$ 88</u>	<u>\$293</u> <u>\$277</u> <u>\$233</u> <u>\$177</u>

(d) (e) Having \$250,001 to \$1,000,000 <u>\$500,000</u>		\$590	\$195	\$389
gross sales or service not covered under	High	<u>\$520</u>	<u>\$173</u>	<u>\$347</u>
paragraph (e) for the immediately previous	Medium	<u>\$430</u>	<u>\$143</u>	<u>\$287</u>
license or fiscal year	Low	<u>\$370</u>	<u>\$123</u>	<u>\$247</u>
(e) (f) Having \$1,000,001 <u>\$500,001</u> to		\$769	\$254	\$508
\$5,000,000 <u>\$1,000,000</u> gross sales or service	High	<u>\$625</u>	<u>\$208</u>	<u>\$417</u>
for the immediately previous license or fiscal	Medium	<u>\$535</u>	<u>\$178</u>	<u>\$357</u>
year	Low	<u>\$475</u>	<u>\$158</u>	<u>\$317</u>
(f) (g) Having \$5,000,001 <u>\$1,000,001</u> to		\$920	\$304	\$607
\$10,000,000 <u>\$5,000,000</u> gross sales or service	High	<u>\$1,500</u>	<u>\$500</u>	<u>\$1,000</u>
for the immediately previous license or fiscal	Medium	<u>\$1,425</u>	<u>\$475</u>	<u>\$950</u>
year	Low	<u>\$1,350</u>	<u>\$450</u>	<u>\$900</u>
(h) Having <u>\$5,000,001 to \$10,000,000</u> gross	High	<u>\$1,900</u>	<u>\$633</u>	<u>\$1,267</u>
sales or service for the immediately previous	Medium	<u>\$1,825</u>	<u>\$608</u>	<u>\$1,217</u>
license or fiscal year	Low	<u>\$1,750</u>	<u>\$583</u>	<u>\$1,167</u>
		\$990	\$327	\$653
(g) (i) Having <u>\$10,000,001 to \$15,000,000</u> gross	High	<u>\$2,300</u>	<u>\$767</u>	<u>\$1,533</u>
sales or service for the immediately previous	Medium	<u>\$2,225</u>	<u>\$742</u>	<u>\$1,483</u>
license or fiscal year	Low	<u>\$2,150</u>	<u>\$717</u>	<u>\$1,433</u>
		\$1,156	\$381	\$763
(h) (j) Having <u>\$15,000,001 to \$20,000,000</u> gross	High	<u>\$2,700</u>	<u>\$900</u>	<u>\$1,800</u>
sales or service for the immediately previous	Medium	<u>\$2,625</u>	<u>\$875</u>	<u>\$1,750</u>
license or fiscal year	Low	<u>\$2,550</u>	<u>\$849</u>	<u>\$1,700</u>
		\$1,329	\$439	\$877
(i) (k) Having <u>\$20,000,001 to \$25,000,000</u> gross	High	<u>\$3,100</u>	<u>\$1,033</u>	<u>\$2,067</u>
sales or service for the immediately previous	Medium	<u>\$3,025</u>	<u>\$1,008</u>	<u>\$2,017</u>
license or fiscal year	Low	<u>\$2,950</u>	<u>\$984</u>	<u>\$1,967</u>
		\$1,502	\$496	\$991
(j) (l) Having over \$25,000,001 or more to	High	<u>\$3,500</u>	<u>\$1,167</u>	<u>\$2,333</u>
<u>\$50,000,000</u> gross sales or service for the	Medium	<u>\$3,425</u>	<u>\$1,142</u>	<u>\$2,283</u>
immediately previous license or fiscal year	Low	<u>\$3,350</u>	<u>\$1,117</u>	<u>\$2,233</u>
(m) Having <u>\$50,000,001 to \$100,000,000</u> gross	High	<u>\$4,000</u>	<u>\$1,334</u>	<u>\$2,667</u>
sales or service for the immediately previous	Medium	<u>\$3,925</u>	<u>\$1,309</u>	<u>\$2,617</u>
license or fiscal year	Low	<u>\$3,850</u>	<u>\$1,284</u>	<u>\$2,567</u>
(n) Having <u>\$100,000,001 or more</u> gross sales	High	<u>\$4,500</u>	<u>\$1,500</u>	<u>\$3,000</u>
or service for the immediately previous license	Medium	<u>\$4,425</u>	<u>\$1,475</u>	<u>\$2,950</u>
or fiscal year	Low	<u>\$4,350</u>	<u>\$1,450</u>	<u>\$2,900</u>
3. Food broker Food handler operating under				
authority of this chapter solely as a special event				
food stand as defined in Minnesota Statutes,		\$150	\$ 50	\$ 99
section 157.15		<u>\$75</u>	<u>\$25</u>	<u>\$50</u>
4. Wholesale food processor or manufacturer				
(a) Having gross sales or service of less than				
<u>\$125,000</u> for the immediately previous license				
or fiscal year		\$169	\$ 56	\$112

(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$392	\$129	\$259
(c) Having \$250,001 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$590	\$195	\$389
(d) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
(e) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$920	\$304	\$607
(f) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,377	\$454	\$909
(g) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
(h) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
(i) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
(j) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
(k) Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5. Wholesale food processor of Meat or poultry products processing solely under supervision of the U.S. Department of Agriculture			
(a) Having gross sales or service of less than \$125,000 for the immediately previous license or fiscal year	\$112 <u>\$190</u>	\$ 37 <u>\$63</u>	\$ 74 <u>\$127</u>
(b) Having \$125,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$214 <u>\$365</u>	\$ 71 <u>\$122</u>	\$141 <u>\$243</u>
(c) Having \$250,001 to \$1,000,000 <u>\$500,000</u> gross sales or service for the immediately previous license or fiscal year	\$333 <u>\$450</u>	\$110 <u>\$150</u>	\$220 <u>\$300</u>
(d) Having <u>\$500,001 to \$1,000,000</u> gross sales or service for the immediately previous license or fiscal year	<u>\$565</u>	<u>\$188</u>	<u>\$377</u>

(d) (e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$425 <u>\$725</u>	\$140 <u>\$241</u>	\$281 <u>\$483</u>
(e) (f) Having \$5,000,001 to \$10,000,000 gross sales or service for the immediately previous license or fiscal year	\$521 <u>\$885</u>	\$172 <u>\$295</u>	\$344 <u>\$590</u>
(f) (g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$765 <u>\$1,305</u>	\$252 <u>\$435</u>	\$505 <u>\$807</u>
(g) (h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$893 <u>\$1,515</u>	\$295 <u>\$505</u>	\$589 <u>\$1,010</u>
(h) (i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,027 <u>\$1,745</u>	\$339 <u>\$582</u>	\$678 <u>\$1,163</u>
(i) (j) Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,161 <u>\$1,975</u>	\$383 <u>\$658</u>	\$766 <u>\$1,317</u>
(j) (k) Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,295 <u>\$2,215</u>	\$427 <u>\$738</u>	\$855 <u>\$1,477</u>
(k) (l) Having \$100,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,428 <u>\$2,465</u>	\$471 <u>\$822</u>	\$942 <u>\$1,643</u>
6. Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$40	\$50
7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$30	\$10	\$15
8. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$30	\$10	\$15
9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$50	\$15	\$25

Subd. 4. **Food handler license account; appropriation.** A food handler license account is established in the agricultural fund. Fees paid under subdivision 3 and section 28A.04 must be deposited in this account. Money in the account, including interest, is appropriated to the commissioner for expenses relating to ~~licensing and inspecting~~ regulating food handlers under chapters 28 to 34A or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2024, section 28A.081, subdivision 1, is amended to read:

Subdivision 1. **Fee.** A fee of \$125 for each certificate shall be charged to any person who requests a certificate issued by the Minnesota Department of Agriculture to facilitate the movement of Minnesota processed and manufactured foods destined for export from the state of Minnesota. Certificates include, but are not limited to, a certificate of free sale, certificate of export, certificate of sanitation, sanitary certificate, certificate of origin and/or free sale, certificate of health and/or free sale, sanitation, and purity, certificate of free trade, certificate of free sale, sanitation, purity, and origin, certificate of health, sanitation, purity, and free sale, and letter of plant certification.

The commissioner ~~shall~~ must receive payment with the request or bill the requesting person within seven days after issuing a certificate to the person. The requesting person must submit payment for a certificate at the time of receiving the request or within ten days of the billing date. If a certificate fee payment is not received within 15 days of the billing date, the commissioner may not issue any future certificates to the requesting person until previous fees due are paid in full. Fees paid under this section must be deposited in the food certificate account established under subdivision 2 or another account in the agricultural fund if the expenses for the certificate will be paid from that other account.

Sec. 11. Minnesota Statutes 2024, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler or custom exempt food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32D, 33, or 34, or rules adopted under one of those chapters; or

(2) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32D, or 34.

The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$150~~ \$250. The fee for a firm with gross food sales over \$1,000,000 is ~~\$200~~ \$300. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$300~~ \$500, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 12. Minnesota Statutes 2024, section 28A.14, is amended to read:

28A.14 TRANSFER OF BUSINESS.

(a) Except as provided in paragraph (b), a transfer of a business or a discontinuance of its operation by the licensee at the address covered by the license voids the license and the license certificate shall be surrendered to the commissioner immediately by anyone in possession of the same.

(b) If a licensee discontinues operating at an additional location authorized under section 28A.06, the license is not void if the licensee has provided written notification to the commissioner.

Sec. 13. Minnesota Statutes 2024, section 28A.151, subdivision 2, is amended to read:

Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and demonstration must be obtained from sources that comply with Minnesota Food Law.

(b) Raw animal, raw poultry, and raw fish products must not be served as samples.

(c) Food product sampling or food product demonstrations, ~~including that contain~~ cooked animal, poultry, or fish products, must be prepared on site at the event.

(d) Animal or poultry products used for food product sampling or food product demonstrations must ~~be~~ originate from animals slaughtered under continuous inspection, either by the USDA or through Minnesota's "Equal-to" inspection program.

(e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons engaged in food product sampling or food product demonstrations.

Sec. 14. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

Subdivision 1. **Licensing provisions applicability.** (a) Except as provided in paragraph (d), the licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and the registration number or address of the ~~individual~~ person preparing and selling the food, the date on which the food was prepared, the ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."; and

(ii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) ~~an individual~~ a person who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the individual who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

~~(c) An individual who qualifies~~ To qualify for an exemption under paragraph (a) ~~may organize the individual's cottage food business as a business entity recognized by state law,~~ a person must be an individual, a sole proprietorship, a single-member limited liability company owned by one individual, or a limited liability company owned by two individuals residing at the same residence.

(d) A person cannot qualify for an exemption under paragraph (a) if the person holds a food handler license required under section 28A.04.

Sec. 15. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** ~~(a) An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

~~(b) If~~ An exempt food product will ~~may~~ be delivered to the ultimate consumer upon sale of the food product; ~~by the individual person who prepared the food product must be the person who delivers the food product to the ultimate consumer,~~ or by mail or commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

~~(d) Food products exempt under subdivision 1 may be sold over the Internet but must be delivered directly to the ultimate consumer by the individual who prepared the food product.~~ The statement "These products are homemade and not subject to state inspection." must be displayed on the website that offers the exempt foods for purchase.

Sec. 16. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of \$78,000 or less in a calendar year.

Sec. 17. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is ~~\$50~~ \$30. ~~An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the \$5,000 gross receipts exemption.~~

Sec. 18. Minnesota Statutes 2024, section 28A.152, subdivision 5, is amended to read:

Subd. 5. **Training.** ~~(a) An individual~~ A person who sells exempt food under this section and is required to pay the registration fee in subdivision 4 must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the ~~individual~~ person is registered under subdivision 4.

~~(b) An individual who sells exempt food under this section and is exempt from paying the registration fee in subdivision 4 must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.~~

Sec. 19. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Adjustments.** The commissioner must adjust the limitation on sales in subdivision 3 every two years to the inflation level established in the United States Bureau of Labor and Statistics Consumer Price Index, using July 2025 as the base month and year.

Sec. 20. Minnesota Statutes 2024, section 28A.17, is amended to read:

28A.17 LICENSE RENEWAL.

~~Licenses for food processors or manufacturers or food brokers handlers shall be renewed annually on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for mobile food concessions and for retail mobile units shall be renewed annually on April 1 prior to the end of the licensing period. Approval of license renewal is contingent upon conditions described in section 28A.07 and payment of license fees identified in section 28A.08.~~

Sec. 21. **EFFECTIVE DATE.**

This article is effective August 1, 2025."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; modifying livestock marketing agency and dealer licensing provisions; modifying seed potato provisions; modifying food handler licensing provisions; modifying the cottage foods licensing exemption; transferring money; appropriating money; modifying and establishing fees; requiring reports; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117, subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1; 17A.03, subdivisions 8, 10, 11, by adding a subdivision; 17A.04, subdivisions 1, 2, 4, 6, 7, 8; 17A.06, subdivisions 2, 3; 17A.07; 17A.08; 17A.15; 18B.26, subdivision 8; 18C.111, by adding a subdivision; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 25.391, subdivisions 1, 2; 28A.03, subdivision 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3; 28A.08; 28A.081, subdivision 1; 28A.085,

subdivision 1; 28A.14; 28A.151, subdivision 2; 28A.152, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 28A.17; 32D.01, by adding a subdivision; 35.155, subdivision 12; 41A.09, subdivision 2a; 41A.16, subdivision 7; 41A.30, subdivision 1; 41B.039, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 6; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057, subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 21; 32D; 343; repealing Minnesota Statutes 2024, sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; 35.68; 35.830; 239.77, subdivision 5; Minnesota Rules, parts 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330; 1510.2335; 1510.2340; 1510.2345; 1510.2350; 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7."

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

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

S.F. No. 2735: A bill for an act relating to natural resources; requiring removal and disposal of abandoned boats; providing criminal and civil penalties; amending Minnesota Statutes 2024, sections 97A.223, subdivision 1; 97A.421, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 86B.

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

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

S.F. No. 1035: A bill for an act relating to higher education; modifying provisions related to campus sexual misconduct; amending Minnesota Statutes 2024, section 135A.15, subdivisions 1a, 2a.

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

Page 3, line 9, delete "victim" and insert "reporting party"

Page 3, line 21, delete everything after the period

Page 3, delete lines 22 and 23

Page 3, after line 32, insert:

"(f) A postsecondary institution must hold a hearing related to disciplinary action under this section if requested by either the reporting or the responding party."

Page 4, line 1, delete "(f)" and insert "(g)"

Page 4, line 5, delete ", who may be an attorney,"

Page 5, line 3, delete the colon

Page 5, line 4, delete "(i)" and delete "; or" and insert a period

Page 5, line 5, delete "(ii)" and delete the semicolon and insert "may ask questions of any party or witness."

Page 5, line 15, after "information" insert "of the reporting party"

Page 5, line 21, delete "if applicable" and insert "to the extent possible"

Page 5, line 29, after "apply" insert ", at a minimum,"

Page 6, after line 2, insert:

"(h) Notwithstanding any other applicable grievance process, including an employee grievance process, if a reporting party is a student at the postsecondary institution, the institution must use the grievance process provided in this subdivision."

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

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

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.

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

Page 2, line 10, delete the semicolon and insert "and" and reinstate the stricken comma and delete the semicolon

Page 2, line 11, delete the new language

Page 2, delete section 3 and insert:

"Sec. 3. [609.467] MEDICAL ASSISTANCE FRAUD.

Subdivision 1. **Medical assistance fraud prohibited.** A person who intentionally presents, submits, tenders, offers, or participates in the preparation of a claim for payment, claim for reimbursement, cost report, or rate application relating to the payment of medical assistance funds under chapter 256B knowing or having reason to know that any part of the claim, report, or application is false is guilty of medical assistance fraud and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalties.** Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment of not more than 20 years, payment of a fine of not more than \$100,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than \$35,000;

(2) to imprisonment of not more than ten years, payment of a fine of not more than \$20,000, or both if:

(i) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than \$5,000 but not more than \$35,000; or

(ii) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than \$5,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.247; 609.522; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(3) to imprisonment of not more than five years, payment of a fine of not more than \$10,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than \$5,000.

Subd. 3. **Aggregation.** The total of all claims for payment, claims for reimbursement, cost reports, and rate applications submitted, tendered, or offered in violation of subdivision 1 within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 2. When the same person commits two or more offenses in two or more counties, the accused may be prosecuted for all of the offenses aggregated under this subdivision in any county in which one of the offenses was committed.

Subd. 4. **Venue.** Notwithstanding anything to the contrary in section 627.01, a violation of this section may be prosecuted in:

(1) the county where any part of the offense occurred; or

(2) the county where the entity who received a claim for payment, claim for reimbursement, cost report, or rate application is located.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2024, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

~~(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or~~

~~(iv) (iii) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or~~

~~(v) (iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or~~

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in clauses (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(A) made or was aware of the connection; and

(B) was aware that the connection was unauthorized;

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally, and without claim of right, takes motor fuel from a retailer without the retailer's consent and with intent to deprive the retailer permanently of possession of the fuel by driving a motor vehicle from the premises of the retailer without having paid for the fuel dispensed into the vehicle; or

(19) commits wage theft under subdivision 1, clause (13).

(b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove the vehicle from the premises of the retailer without having paid for the fuel permits the factfinder to infer that the driver acted intentionally and without claim of right, and that the driver intended to deprive the retailer permanently of possession of the fuel. This paragraph does not apply if: (1) payment has been made to the retailer within 30 days of the receipt of notice of nonpayment under section 604.15; or (2) a written notice as described in section 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been reported stolen before the theft of the fuel.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date."

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 State and Local Government. Amendments adopted. Report adopted.

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

S.F. No. 2499: A bill for an act relating to state government; modifying emergency medical services overdose data; amending Minnesota Statutes 2024, section 144E.123, subdivision 3.

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

Page 1, line 8, delete the new language and insert "The director may share with the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program (ODMAP) data that identifies where and when an overdose incident happens, fatality status, suspected drug type, naloxone administration, and first responder type. ODMAP may:"

Page 1, delete lines 9 and 10

Page 1, line 14, delete "certain"

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

S.F. No. 2457: A bill for an act relating to insurance; authorizing certain data calls; providing for and regulating limited long-term care insurance; classifying certain data; authorizing administrative rulemaking; providing penalties; making technical changes; amending Minnesota Statutes 2024, section 45.027, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

S.F. No. 2794: A bill for an act relating to financial institutions; modifying the maximum interest rate for certain loans and contracts for deed; establishing group capital calculations for insurers; requiring insurers to complete a NAIC liquidity stress test; requiring insurers to file group capital calculations and results from the NAIC liquidity stress test; requiring insurers to secure a deposit or bond; amending Minnesota Statutes 2024, sections 47.20, subdivision 4a; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62D.221, by adding a subdivision; 334.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 60D.

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

S.F. No. 1962: A bill for an act relating to real property; limiting due-on-sale clauses in certain instances; providing a private right of action; amending Minnesota Statutes 2024, section 58.13, by adding a subdivision.

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 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. Postponement by mortgagor or owner. (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded.

Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 3. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date."

Delete the title and insert:

"A bill for an act relating to mortgages; modifying provisions governing postponement of foreclosures by action; amending Minnesota Statutes 2024, sections 580.07, subdivisions 1, 2; 581.02."

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 re-referred

S.F. No. 1024: A bill for an act relating to health insurance; establishing a premium subsidy program administered by MNsure; providing a sunset for the Minnesota premium security plan; appropriating money; amending Minnesota Statutes 2024, section 62E.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62V; repealing Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; 62E.25.

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

Page 4, delete subdivision 5

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

S.F. No. 2706: A bill for an act relating to children; follow-up to 2024 children, youth, and families recodification; making technical changes; amending Minnesota Statutes 2024, sections 3.922, subdivision 1; 13.41, subdivision 1; 13.46, subdivisions 3, 4, 9, 10; 13.598, subdivision 10; 14.03, subdivision 3; 116L.881; 125A.15; 125A.744, subdivision 2; 127A.11; 127A.70, subdivision 2; 142A.607, subdivision 14; 142A.609, subdivision 21; 142B.41, subdivision 9; 144.061; 144.225, subdivision 2a; 145.895; 145.901, subdivisions 2, 4; 145.9255, subdivision 1; 145.9265; 174.285, subdivision 4; 214.104; 216C.266, subdivisions 2, 3; 241.021, subdivision 2; 242.09; 242.21; 242.32, subdivision 1; 245.697, subdivisions 1, 2a; 245.814, subdivisions 1, 2, 3, 4; 245C.02, subdivisions 7, 12, 13; 245C.031, subdivision 9; 245C.033, subdivision 2; 245C.05, subdivision 7; 245C.07; 256.88; 256.89; 256.90; 256.91; 256.92; 256G.01, subdivisions 1, 3; 256G.03, subdivision 2; 256G.04, subdivision 2; 256G.09, subdivisions 2, 3, 4, 5; 256G.10; 256G.11; 256G.12, subdivision 1; 260.762, subdivision 2a; 260B.171, subdivision 4; 260E.03, subdivision 6; 260E.11, subdivision 1; 260E.30, subdivision 4; 260E.33, subdivision 6; 261.232; 270B.14, subdivision 1, by adding a subdivision; 299C.76, subdivision 1; 299F.011, subdivision 4a; 402A.10, subdivisions 1a, 2, 4c; 402A.12; 402A.16, subdivisions 1, 2, 3, 4; 402A.18, subdivisions 2, 3, by adding a subdivision; 402A.35, subdivisions 1, 4, 5; 462A.2095, subdivision 6; 466.131; 518.165, subdivision 5; 524.5-106; 524.5-118, subdivision 2; 595.02, subdivision 2; 626.5533; repealing Minnesota Statutes 2024, sections 142A.15; 142E.50, subdivisions 2, 12; 245A.02, subdivision 6d; 256G.02, subdivisions 3, 5; 261.003.

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

Page 8, line 3, after "commissioner" insert "of human services; commissioner of children, youth, and families;"

Page 22, line 18, after "services" insert "or the commissioner of children, youth, and families"

Page 38, line 27, strike "commissioner" and insert "commissioners"

Page 59, lines 2, 11, 16, and 21, strike "department" and insert "commissioner"

Page 59, line 4, strike "department" and insert "commissioner" and strike "department" and insert "commissioner"

Page 59, line 33, strike "department's" and insert "commissioner's"

Page 60, line 8, strike "department" and insert "commissioner"

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

H.F. No. 688: A bill for an act relating to human services; modifying service dog provisions in housing accommodations for persons with disabilities; amending Minnesota Statutes 2024, section 256C.025, subdivision 2, by adding a subdivision.

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

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

S.F. No. 2371: A bill for an act relating to state government; modifying medical cannabis provisions; amending Minnesota Statutes 2024, sections 342.01, subdivision 71, by adding subdivisions; 342.09, subdivision 2; 342.51, subdivision 2, by adding a subdivision; 342.52, subdivision 9; 342.56, subdivision 2; 342.57.

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

S.F. No. 1750: A bill for an act relating to common interest communities; 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; amending Minnesota Statutes 2024, sections 394.25, by adding a subdivision; 515B.1-102; 515B.2-103; 515B.2-119; 515B.3-101; 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.4-116; Laws 2024, chapter 96, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapters 462; 515B; repealing Minnesota Statutes 2024, section 308C.003, subdivision 3.

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

Page 1, delete lines 16 and 17

Page 3, line 3, delete ", or"

Page 3, line 4, delete everything before the first comma

Page 3, line 7, delete "and" and insert ", including"

Page 3, line 8, after "associations" insert a comma

Page 3, line 10, after the second comma, insert "(10),"

Page 3, line 11, delete the first "and" and after "(h)" insert ", and (i)"

Page 3, line 12, delete "515.3-1151" and insert "515B.3-1151"

Page 3, line 13, delete "515.3-116" and insert "515B.3-116" and delete "515.3-122" and insert "515B.3-122"

Page 5, after line 28, insert:

"Sec. 2. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

515B.1-103 DEFINITIONS.

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

(1) "Additional real estate" means real estate that may be added to a flexible common interest community.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(A) A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

(B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(C) Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

(3) "Allocated interests" means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.

(4) "Association" means the unit owners' association organized under section 515B.3-101.

(5) "Board" means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

(6) "CIC plat" means a common interest community plat described in section 515B.2-110.

(7) "Common elements" means all portions of the common interest community other than the units.

(8) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) "Common interest community" or "CIC" means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) "Condominium" means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(11a) "Construction defect claim" means a civil action or an arbitration proceeding based on any legal theory including, but not limited to, claims under chapter 327A for damages, indemnity, or contribution brought against a development party to assert a claim, counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of, real or personal property caused by a defect in the initial design or construction of an improvement to real property that is part of a common interest community, including an improvement that is constructed on additional real estate pursuant to section 515B.2-111. "Construction defect claim" does not include claims related to subsequent maintenance, repairs, alterations, or modifications to, or the addition of, improvements that are part of the common interest community, and that are contracted for by the association or a unit owner.

(12) "Conversion property" means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied, in whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) "Cooperative" means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member's ownership interest in the association.

(14) "Dealer" means a person in the business of selling units for the person's own account.

(15) "Declarant" means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights;

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred; or

(iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and (B) the restriction expires or is modified or terminated such that residential use of the unit is permitted, the unit owner at the time the restriction expires or is so modified or terminated is a declarant with respect to that unit and any improvements subject to use rights by a purchaser of the unit.

(16) "Declaration" means any instrument, however denominated, that creates a common interest community.

(16a) "Development party" means an architect, contractor, construction manager, subcontractor, developer, declarant, engineer, or private inspector performing or furnishing the design, supervision, inspection, construction, coordination, or observation of the construction of any improvement to real property that is part of a common interest community, or any of the person's affiliates, officers, directors, shareholders, members, or employees.

(17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(17a) "First mortgage" means either (i) if there is only one mortgage encumbering title to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit, the mortgage that is first in priority, whether by operation of applicable law or by a properly recorded agreement.

(17b) "First mortgagee" means the holder of a first mortgage.

(18) "Flexible common interest community" means a common interest community to which additional real estate may be added.

(19) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(20) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

(21) "Master association" means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners' associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

(22) "Master declaration" means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

(23) "Master developer" means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

(24) "Period of declarant control" means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

(25) "Person" means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

(26) "Planned community" means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

(27) "Proprietary lease" means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

(28) "Purchaser" means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

(29) "Real estate" means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

(30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal, but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if the individual dwellings are not separate units or if the individual dwellings are not located on separate parcels of real estate. For purposes of this chapter, a unit is restricted to nonresidential use if the unit is subject to a restriction that prohibits residential use as defined in this section whether or not the restriction also prohibits the uses described in this paragraph.

(31) "Secured party" means the person owning a security interest as defined in paragraph (32).

(32) "Security interest" means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, in a cooperative, a lender's interest in a member's ownership interest in the association, a pledgee's interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

(33a) This definition of special declarant rights applies only to common interest communities created before August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

(33b) This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. "Special declarant rights" means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;

(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) "Time share" means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) "Unit" means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) "Unit identifier" means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person."

Page 6, line 14, delete "own" and insert "include"

Page 6, line 17, delete "owns" and insert "includes"

Page 6, lines 19 and 20, reinstate the stricken language

Page 6, line 21, reinstate the stricken "declaration specifies"

Page 6, line 22, after "are" insert "detached" and delete "homes" and insert "dwellings"

Page 6, line 24, reinstate the stricken language

Page 6, line 25, delete "contain and" and after "include" insert "an explanation of the potential distribution of" and delete "and interest transfers"

Page 6, line 26, delete "or sales"

Page 10, delete section 4

Page 12, line 18, before "a" insert "(i)"

Page 12, line 19, delete "may not impose," and insert "(ii) a late fee"

Page 12, line 20, after the comma, insert "but not in"

Page 12, line 21, strike ", after notice and an opportunity to be heard before the board or a"

Page 12, line 22, strike "committee appointed by it, levy" and insert "(iii)"

Page 12, line 24, strike "disputes" and delete the new language

Page 12, line 25, delete "questions" and insert "asks a question about" and strike "and, if after the" and delete "unit owner" and insert "or disputes a fine and"

Page 12, line 26, after the comma, insert "and"

Page 13, line 4, delete "and"

Page 13, line 6, reinstate the stricken language and delete the period

Page 13, line 7, reinstate the stricken language

Page 13, line 8, reinstate the stricken language and before the period insert "consistent with this chapter and the governing documents of the association"

Page 13, line 12, delete everything after "(c)" and insert "An association must adopt and provide to every unit owner a policy regarding fines that includes a list of the violations for which a fine may be imposed and a schedule of fines for those violations. When a violation can be cured without causing damage to property or to another, the association must provide the unit owner with a reasonable time to correct the violation before a fine may be imposed. A fine levied pursuant to subsection (a)(11) must be commensurate with the violation and must not exceed \$100 for a single violation, except as provided in this section. When combined with additional fines for an ongoing violation, late fees, and other allowable charges, the fine must not exceed \$2,500 in total for the violation. When the owner has been given notice that if the action is repeated, the fine may be accelerated for future violations, then a fine may be greater than the limits of this subsection if the"

violation: (i) has a serious and immediate impact on a resident's health or safety; (ii) causes physical damage to another unit or a common element; or (iii) involves using the property for financial enrichment, including renting or offering for rent a unit in violation of a rule prohibiting short-term or long-term rentals."

Page 13, delete lines 13 to 21

Page 13, line 22, delete the new language

Page 15, line 6, delete "otherwise"

Page 15, line 8, delete everything before the period and insert "proposed adoption, amendment, or revocation of a rule"

Page 15, line 11, delete everything after "the" and insert "total votes in the association that are allocated. A vote to revoke a rule must be conducted at a special meeting called by board. If the rule proposed to be revoked is required by the declaration of bylaws, the declaration or bylaws may be amended to avoid conflict according to the procedures required under section 515B.2-118 or 515B.3-106, respectively."

Page 15, delete lines 12 and 13

Page 15, line 14, delete "procedures for dispute resolution and"

Page 15, after line 16, insert:

"(j) A payment made by a unit owner must be applied to regular assessments first before any other fines, fees, or assessments owed by the unit owner."

Page 15, line 28, reinstate the stricken language

Page 17, line 6, strike "a majority" and insert "all" and after "owners" insert "who reside in their unit at least 165 days of the year"

Page 17, line 8, strike everything after the period

Page 17, strike line 9

Page 17, line 22, after the period, insert "Elections for board officers must occur regularly and in accordance with the governing documents of the association, and elections for the board of directors must occur at least every three years."

Page 18, line 9, before the comma, insert "that requires the vote of the board"

Page 18, line 10, delete "during any meeting on any subject" and insert "on the item."

Page 18, line 11, delete everything before "A" and after "each" insert "open"

Page 18, line 12, delete "not" and insert "a nonvoting item"

Page 18, line 13, delete "and" and insert "or any other issue"

Page 18, line 14, delete everything after the period

Page 18, delete lines 15 and 16

Page 18, line 17, delete "voting."

Page 18, line 30, after the period, insert "A board of directors of an association that has fewer than 25 units and does not contract with a property management company is not required to comply with this subsection's requirements for the notice for meetings between board members, nor the requirements to keep minutes, if the subject of the meeting is solely to discuss issues related to property management, including preliminary budget discussions provided no budget decisions are finalized."

Page 19, line 2, after the first "a" insert "material"

Page 19, line 3, delete "\$2,000" and insert "\$20,000" and before the semicolon, insert "for any single association"

Page 19, line 13, after the second "a" insert "material"

Page 19, line 16, delete "\$2,000" and insert "\$20,000"

Page 19, line 25, delete "\$2,000" and insert "\$20,000" and after the period, insert "A board member does not have a material financial interest in a business if the board member holds stock, has an investment in a pension or mutual fund that holds stock, or is the beneficiary of a blind trust that holds stock, in that business."

Page 20, line 9, after "annual" insert "or special" and after the third comma, insert "or by mail or electronic mail,"

Page 20, line 10, after "unit owners" insert "adequate notice and"

Page 20, line 11, delete the first "the" and insert "a"

Page 20, line 12, delete "unit owners" and insert "total votes in the association that are allocated" and after "annual" insert "or special" and delete ", where unit owners may vote" and insert a period

Page 20, delete lines 13 and 14

Page 22, line 10, before the period, insert "which may include rules and regulations"

Page 22, line 32, delete "or curtilage" and insert ", the limited common elements allocated to the unit owner's unit, or a common element driveway that serves only the unit owner's unit"

Page 23, delete section 10

Page 23, line 20, after "copies" insert "or a link to electronic copies"

Page 27, line 20, delete "must" and insert "may"

Page 33, line 15, delete everything after the period and insert "If a unit owner is delinquent in the payment of fees or charges properly imposed pursuant to section 515B.3-102, subsection (a), paragraphs (10), (11), and (12), an association may not commence foreclosure for the fees or charges unless the total amount of the association's lien for unpaid assessments of all types, other than assessments for attorney fees, exceeds"

Page 33, delete lines 16 and 17

Page 33, line 18, delete "the total amount owed is" and delete "180" and insert "120"

Page 35, delete subdivision 1

Page 35, line 7, delete "\$1,000" and insert "\$3,500"

Page 35, line 31, delete "Subd. 2. Meet and confer process." and after "association" insert "or management company, or an attorney or another person on their behalf," and delete "enforcement" and insert "collection"

Page 36, line 2, delete everything after the period

Page 36, line 3, delete everything before "The"

Page 36, line 4, before the period, insert "either in-person, over the phone, or virtually. Another person may appear for the association as long as the unit owner is not charged for attorney fees or for the person's appearance at the meeting"

Page 36, line 10, after the period, insert "If the unit owner expressly refuses to engage in the meet and confer process, the association may proceed with a collection action. A unit owner is deemed to refuse to engage in the meet and confer process if the unit owner fails to respond within 30 days after the association provides the required notice to the unit owner."

Page 36, line 17, delete everything after "(3)" and insert "the hourly rate the attorney charges."

Page 40, line 34, delete "and the"

Page 40, line 35, delete "Community Association Institute"

Page 46, line 31, delete "and the"

Page 46, line 32, delete "Community Association Institute"

Page 48, delete section 20

Page 48, line 16, delete everything after the period

Page 48, delete lines 17 to 24

Page 49, delete article 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "limiting proxy voting;" and delete "modifying regulations"

Page 1, delete line 7

Page 1, line 8, delete everything before "amending"

Amend the title numbers accordingly

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

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

S.F. No. 2205: A bill for an act relating to commerce; establishing a task force on homeowners and commercial property insurance; appropriating money; requiring a report.

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

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

S.F. No. 1464: A bill for an act relating to natural resources; establishing the Minnesota Sustainable Foraging Task Force; providing appointments; requiring a report.

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

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

S.F. No. 2322: A bill for an act relating to health occupations; establishing the Minnesota Health Care Workforce Advisory Council; requiring reporting; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 6, line 3, delete "does not expire" and insert "expires on January 1, 2029"

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 Murphy from the Committee on Rules and Administration, 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; 142A.12, subdivision 5; 144.05, by adding a subdivision; 245.095, subdivision 5; 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 4, line 12, after "bachelor's" insert "or higher"

Page 4, line 23, after the period, insert "A person elected to an office other than governor or legislators is not eligible until ten years after the end of service in an elected position."

Page 4, line 30, delete everything after the period, and insert "The inspector general is appointed by the governor, after consideration of recommendations from the Legislative Inspector General Advisory Commission, with confirmation by a vote of three-fifths of the senate. Section 15.066, subdivision 3, does not apply."

Page 4, delete lines 31 and 32

Page 5, line 2, delete "two" and insert "unlimited additional" and delete everything after the period

Page 5, delete lines 3 and 4

Page 5, before line 5, insert:

"Subd. 4. **Disclosure.** A candidate considered by the Legislative Inspector General Oversight Commission or selected for appointment by the governor, must disclose all political affiliations, appointments, campaign work, or partisan activities, prior to confirmation.

Subd. 5. **Nonpartisanship.** The inspector general, and all employees of the office, must perform duties of the office without regard to partisan preferences or influences. While serving, the inspector general, and all employees of the office, may not engage in partisan activities, campaign work, or public political speech, unless protected by the state or United States Constitution.

Subd. 6. **Conflict of interest; code of ethics.** The inspector general and all employees of the office are public officials for purposes of the conflict of interest and statement of economic interest requirements in chapter 10A, and are subject to the code of ethics in section 43A.38, where applicable.

Subd. 7. **Removal.** The inspector general may only be removed before the expiration of the term for cause after a public hearing and with approval of both the senate and the house of representatives."

Page 7, after line 13, insert:

"Sec. 8. [15D.043] IDENTIFICATION OF FRAUD REPORTING TOOL.

(a) The commissioner or other chief executive officer of each agency must prominently highlight on the agency's website the fraud reporting tools administered by the Office of the Inspector General and the Office of the Legislative Auditor under chapter 3.

(b) As part of any grant agreement between the state and a nonprofit organization, the agreement must require the nonprofit organization to prominently highlight on the organization's website the fraud reporting tools administered by the Office of the Inspector General, under chapter 15, and the Office of the Legislative Auditor, under chapter 3. The state agency administering the grant must regularly confirm and document the organization's compliance with the requirement under this paragraph for the life of the grant agreement."

Page 8, line 21, after "completed" insert "or the time period to appeal has expired, or the litigation"

Page 11, after line 2, insert:

"Subd. 3. **Chair.** The commission must select a chair from among its members by January 31 of each odd-numbered year. The chair shall serve until a successor is elected. The chair must alternate biennially between the senate and the house of representatives."

Page 11, after line 16, insert:

"Sec. 14. Minnesota Statutes 2024, section 609.456, subdivision 2, is amended to read:

Subd. 2. **Legislative auditor and inspector general.** Whenever an employee or officer of the state, University of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence of fraud, theft, embezzlement, or other unlawful use of public funds or property, the employee or officer shall, ~~except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation,~~ promptly report in writing to the legislative auditor or inspector general a detailed description of the alleged incident or incidents."

Page 13, line 10, delete "in the following divisions and teams"

Page 13, line 11, delete the colon and insert a period

Page 13, delete lines 12 to 21

Page 14, after line 18, insert:

"Subd. 3. **Chair.** The Legislative Inspector General Advisory Commission must elect a chair from among its senate members at its first meeting. The first chair shall serve until a successor is selected at the start of the next biennium as provided in Minnesota Statutes, section 15D.03, subdivision 3."

ReNUMBER the sections and subdivisions in sequence

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1740, 3137, 2990, 2988, 3097, 2443, 908, 1962, 2706, and 1750 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 688 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Latz, Limmer, and Klein introduced--

S.F. No. 3290: A bill for an act relating to public safety; establishing the Organized Retail and Supply Chain Crimes Advisory Board; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Judiciary and Public Safety.

Senator Dahms introduced--

S.F. No. 3291: A bill for an act relating to insurance; modifying notice provisions governing surplus lines brokers; amending Minnesota Statutes 2024, section 60A.201, subdivision 2, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senator Fateh introduced--

S.F. No. 3292: A bill for an act relating to workforce development; appropriating money to Milestone Community Development for a cybersecurity training program.

Referred to the Committee on Jobs and Economic Development.

Senator Coleman introduced--

S.F. No. 3293: A bill for an act relating to state government; establishing a commission on government efficiency and waste prevention; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on State and Local Government.

Senator Wiklund introduced--

S.F. No. 3294: A bill for an act relating to health; modifying provisions for prescription drug transparency; amending Minnesota Statutes 2024, sections 62J.461, subdivisions 3, 4, 5; 62J.84, subdivisions 2, 3, 6, 10, 11, 12, 13, 14, 15.

Referred to the Committee on Health and Human Services.

Senator Wiklund introduced--

S.F. No. 3295: A bill for an act relating to health; updating HMO regulations; amending Minnesota Statutes 2024, sections 13.7191, subdivision 4; 60D.15, subdivision 3; 60D.21, subdivisions 1, 3; 60D.23; 62D.221, subdivision 1.

Referred to the Committee on Health and Human Services.

Senator Wiklund introduced--

S.F. No. 3296: A bill for an act relating to health; changing provider network adequacy provisions; amending Minnesota Statutes 2024, section 62K.10, subdivisions 2, 5, 6; repealing Minnesota Statutes 2024, section 62K.10, subdivision 3.

Referred to the Committee on Health and Human Services.

Senator Wiklund introduced--

S.F. No. 3297: A bill for an act relating to health; allowing insurers to provide explanation of benefits electronically; amending Minnesota Statutes 2024, sections 62J.51, subdivision 19a; 62J.581.

Referred to the Committee on Health and Human Services.

Senator Wiklund introduced--

S.F. No. 3298: A bill for an act relating to health; clarifying hospital closure provisions; amending Minnesota Statutes 2024, section 144.555, subdivisions 1a, 1b.

Referred to the Committee on Health and Human Services.

Senator Mann introduced--

S.F. No. 3299: A bill for an act relating to health; requiring fair pricing in community pharmacy reimbursement; proposing coding for new law in Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Senator Champion introduced--

S.F. No. 3300: A bill for an act relating to child protection; modifying reports for the African American Child Well-Being Advisory Council; requiring reports; appropriating money for child

protection workers, child welfare technology improvements, and Family First Prevention Services Act grants; amending Minnesota Statutes 2024, sections 260.68, subdivision 2; 260.691, subdivision 2.

Referred to the Committee on Health and Human Services.

Senators Wesenberg, Lieske, Bahr, Draskowski, and Lucero introduced--

S.F. No. 3301: A bill for an act relating to taxation; income; phasing out the individual income tax and corporate franchise tax; repealing Minnesota Statutes 2024, sections 289A.08, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 10, 11, 13, 14, 15, 16, 17, 18; 289A.09; 289A.25, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14; 289A.26; 289A.30, subdivision 1; 289A.31, subdivisions 1, 2, 5, 8; 289A.35; 289A.37, subdivisions 2, 6; 289A.381; 289A.382; 289A.50, subdivisions 3, 3a; 289A.56, subdivision 2; 289A.60, subdivision 22a; 290.01, subdivisions 1, 1a, 2, 3, 3a, 3b, 3c, 4, 4a, 4c, 5, 5a, 5b, 5c, 6, 7, 7a, 7b, 8, 8a, 9, 10, 11, 12, 13, 14, 14a, 15, 16, 17, 18, 19, 20, 21a, 22, 29, 29a, 30, 31, 33; 290.0121; 290.0122; 290.0123; 290.0131, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, 10, 14, 15, 16, 17, 19, 20; 290.0132, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 34, 35; 290.0133, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15; 290.0134, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 19, 20; 290.0135; 290.0136; 290.0137; 290.014; 290.015; 290.02; 290.03; 290.032, subdivisions 1, 2, 3; 290.033; 290.04; 290.05, subdivisions 1, 2, 3, 4, 8; 290.06, subdivisions 1, 2c, 2d, 2g, 2h, 22, 23, 23a, 27, 28, 29, 33, 35, 37, 38, 39, 40; 290.0661; 290.067, subdivisions 1, 2b, 3, 4; 290.0671, subdivisions 1, 1a, 2, 4, 6, 7; 290.0672; 290.0674, subdivisions 1, 1a, 2, 4, 5, 6; 290.0675, subdivisions 1, 2, 3, 4; 290.0677; 290.0679; 290.068, subdivisions 1, 2, 3, 4, 5; 290.0681; 290.0682; 290.0683; 290.0684; 290.0685; 290.0686; 290.0688; 290.0692; 290.0693; 290.0694; 290.0695; 290.07, subdivisions 1, 2, 4, 7; 290.0802; 290.081; 290.091; 290.0921, subdivisions 1, 2, 3, 3a, 4, 6, 8; 290.0922; 290.093; 290.095, subdivisions 1, 2, 3, 4, 5, 9, 11; 290.10, subdivision 1; 290.17, subdivisions 1, 2, 3, 4, 5, 6; 290.172; 290.191, subdivisions 1, 2, 3, 5, 6, 8, 9, 10, 11, 12; 290.20; 290.21, subdivisions 1, 4, 9, 10; 290.22; 290.26, subdivision 6; 290.281, subdivision 1; 290.30; 290.31, subdivisions 1, 27; 290.311, subdivision 1; 290.32; 290.34, subdivisions 1, 2, 5; 290.36; 290.371, subdivisions 1, 2, 3, 4; 290.431; 290.432; 290.433; 290.48, subdivision 10; 290.491; 290.62; 290.92, subdivisions 1, 2a, 3, 4, 4a, 4b, 4c, 5, 5a, 9, 10, 12, 16, 17, 19, 20, 21, 24, 25, 26, 27, 28, 29, 30; 290.9201, subdivisions 1, 2, 6, 7, 8, 11; 290.923, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, 10, 11; 290.9705, subdivisions 1, 3, 4; 290.9725; 290.9726, subdivisions 1, 2, 4; 290.9727; 290.9728; 290.9729; 290.9741; 290.9742; 290.993.

Referred to the Committee on Taxes.

Senators Coleman and Abeler introduced--

S.F. No. 3302: A bill for an act relating to veterans; requesting the University of Minnesota Landscape Arboretum to provide free access to a guest of a disabled veteran; amending Minnesota Statutes 2024, section 137.375.

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

Senator Drazkowski introduced--

S.F. No. 3303: A bill for an act relating to education finance; creating an education empowerment account program; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

Referred to the Committee on Education Policy.

Senator Drazkowski introduced--

S.F. No. 3304: A bill for an act relating to clean water; appropriating money for a water treatment plant in the city of Hastings.

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

Senator Westrom introduced--

S.F. No. 3305: A bill for an act relating to taxation; property; establishing a homestead market value exclusion for property owned by persons 65 years or older and retired; amending Minnesota Statutes 2024, sections 273.121, subdivision 1; 273.13, by adding a subdivision; 276.04, subdivision 2.

Referred to the Committee on Taxes.

Senator Mann introduced--

S.F. No. 3306: A bill for an act relating to health insurance; prohibiting prior authorization on medications prescribed for antineoplastic cancer treatment; prohibiting prior authorization denials based on timing of the provided health care service; requiring expedited prior authorization review for prescriptions that have previously been authorized or covered; amending Minnesota Statutes 2024, section 62M.07, subdivisions 2, 4, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senators Lieske, Wesenberg, and Bahr introduced--

S.F. No. 3307: A bill for an act relating to liquor; authorizing cities to issue on-sale intoxicating liquor license to cigar bars; amending Minnesota Statutes 2024, section 340A.404, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

Senators Utke, Gruenhagen, Kreun, Koran, and Drazkowski introduced--

S.F. No. 3308: A bill for an act relating to human services; providing state-funded medical assistance and MinnesotaCare for inmates of county jails; amending Minnesota Statutes 2024, sections 256B.055, subdivision 14; 256L.04, subdivision 12; 641.15, subdivision 2.

Referred to the Committee on Health and Human Services.

Senators Utke, Gruenhagen, Koran, Drazkowski, and Lieske introduced--

S.F. No. 3309: A bill for an act relating to child protection; delaying implementation dates for provisions of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; amending Laws 2024, chapter 117, sections 1; 2; 3; 4; 5; 6; 7; 8; 9; 10; 14; 15; 16; 17; 18; 19; 20; 21.

Referred to the Committee on Health and Human Services.

Senators Xiong and Hawj introduced--

S.F. No. 3310: A bill for an act relating to arts and cultural heritage; appropriating money for The Sanneh Foundation.

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

Senators Maye Quade, Boldon, Hauschild, Putnam, and Port introduced--

S.F. No. 3311: A bill for an act relating to taxation; corporate franchise; providing for a contingent increase in the tax rate; amending Minnesota Statutes 2024, section 290.06, subdivision 1.

Referred to the Committee on Taxes.

Senator Hauschild introduced--

S.F. No. 3312: A bill for an act relating to taxation; clarifying monthly return requirements for certain brewers; amending Minnesota Statutes 2024, section 297G.09, subdivision 1.

Referred to the Committee on Taxes.

Senator Hauschild introduced--

S.F. No. 3313: A bill for an act relating to workforce development; appropriating money for building a regional career technical education center in Northeastern Minnesota.

Referred to the Committee on Jobs and Economic Development.

Senators Hauschild and Farnsworth introduced--

S.F. No. 3314: A bill for an act relating to unemployment insurance; providing an emergency medical services work exception in certain circumstances.

Referred to the Committee on Jobs and Economic Development.

Senators Lieske and Wesenberg introduced--

S.F. No. 3315: A bill for an act relating to elections; requiring voters who register on election day to cast provisional ballots; making conforming changes; amending Minnesota Statutes 2024,

sections 171.072; 201.061, subdivisions 1a, 3, 4; 201.121, subdivision 1; 201.225, subdivisions 2, 5; 203B.04, subdivision 4; 203B.07, subdivision 3; 203B.08, subdivision 3; 203B.081, subdivision 3; 203B.121, subdivision 2; 203B.30, subdivisions 2, 3; 204C.07, subdivision 3a; 204C.32; 204C.33, subdivision 1; 204C.37; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 2024, sections 135A.17, subdivision 2; 201.061, subdivision 7; 201.121, subdivision 3.

Referred to the Committee on Elections.

Senator Kreun introduced--

S.F. No. 3316: A bill for an act relating to state government; adding requirements in the Administrative Procedure Act to emphasize statutory authorization for rules; rescinding governor's statutory authority to authorize rules in an emergency; precluding court deference to agency rule interpretation; amending Minnesota Statutes 2024, sections 12.21, subdivision 3; 14.02, subdivision 4; 14.05, subdivision 1; 14.131; 14.365; 14.366; 14.37, by adding a subdivision; 14.44; 14.69.

Referred to the Committee on State and Local Government.

Senator Hoffman introduced--

S.F. No. 3317: A bill for an act relating to taxation; sales and use; providing a refundable exemption for construction materials for clean water infrastructure in the city of Brooklyn Park.

Referred to the Committee on Taxes.

Senator Hoffman introduced--

S.F. No. 3318: A bill for an act relating to taxation; sales and use; providing a refundable exemption for construction materials for clean water infrastructure in the city of Brooklyn Park.

Referred to the Committee on Taxes.

Senator Hoffman introduced--

S.F. No. 3319: A bill for an act relating to taxation; sales and use; providing a refundable exemption for construction materials for a regional athletic facility in the city of Brooklyn Park.

Referred to the Committee on Taxes.

Senator Johnson Stewart introduced--

S.F. No. 3320: A bill for an act relating to natural resources; providing for evaluation and permitting of projects requiring large water appropriations; amending Minnesota Statutes 2024, sections 103G.265, by adding a subdivision; 103G.271, by adding a subdivision; 116D.04, by adding a subdivision.

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

Senators Wesenberg, Westrom, Lieske, Farnsworth, and Lucero introduced--

S.F. No. 3321: A bill for an act relating to state government; removing gender-affirming care provisions limiting the impact of certain laws; amending Minnesota Statutes 2024, sections 518D.201; 518D.204; 518D.207; 629.02; 629.05; 629.06; 629.13; 629.14; repealing Minnesota Statutes 2024, sections 62Q.585; 260.925; 543.23.

Referred to the Committee on Judiciary and Public Safety.

Senators Housley, Anderson, and Lang introduced--

S.F. No. 3322: A bill for an act relating to veterans; requiring a report; appropriating money for a grant to the United Heroes League.

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

Senators Koran, Lang, Howe, and Anderson introduced--

S.F. No. 3323: A bill for an act relating to lawful gambling; providing for fund loss requests by organizations; amending Minnesota Statutes 2024, section 349.19, by adding a subdivision.

Referred to the Committee on State and Local Government.

Senators Johnson Stewart and Dibble introduced--

S.F. No. 3324: A bill for an act relating to transportation; modifying due date of a legislative report prepared by the Center of Transportation Studies at the University of Minnesota; amending Laws 2023, chapter 68, article 4, section 109.

Referred to the Committee on Transportation.

Senators Utke, Koran, and Pratt introduced--

S.F. No. 3325: A bill for an act relating to economic development; appropriating money for a grant to HealthcareMN.

Referred to the Committee on Jobs and Economic Development.

Senator Pappas introduced--

S.F. No. 3326: A bill for an act relating to economic development; requiring reports; appropriating money for grants to the African Development Center, social benefit corporations, and small businesses in the St. Paul Midway area.

Referred to the Committee on Jobs and Economic Development.

Senator Pappas introduced--

S.F. No. 3327: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, by adding a section; requiring supermajority vote of the legislature to authorize public funding for a professional sports facility.

Referred to the Committee on State and Local Government.

Senator Pappas introduced--

S.F. No. 3328: A bill for an act relating to housing; appropriating money for a grant to YWCA St. Paul.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Oumou Verbeten introduced--

S.F. No. 3329: A bill for an act relating to capital investment; appropriating money for habitats for large cats and wolves at the Como Zoo in the city of St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Abeler and Hoffman introduced--

S.F. No. 3330: A bill for an act relating to human services; appropriating money for a health awareness hub pilot project.

Referred to the Committee on Health and Human Services.

Senators Hoffman and Abeler introduced--

S.F. No. 3331: A bill for an act relating to health insurance; requiring providers of outpatient behavioral health services to be paid at least 143 percent of the Medicare rate; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Commerce and Consumer Protection.

Senators Maye Quade, Boldon, Hoffman, and Mann introduced--

S.F. No. 3332: A bill for an act relating to taxation; repealing various sales and use tax exemptions; imposing a gross receipts tax on various services; amending Minnesota Statutes 2024, sections 297A.61, subdivision 4; 297A.75, subdivisions 1, 2, 3; 297A.82, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 295; repealing Minnesota Statutes 2024, sections 297A.67, subdivisions 34, 35, 38; 297A.68, subdivisions 17, 30, 42, 46.

Referred to the Committee on Taxes.

Senator Gustafson introduced--

S.F. No. 3333: A bill for an act relating to education finance; providing for programs to support teacher candidates performing student teaching; appropriating money.

Referred to the Committee on Education Finance.

Senator Gustafson introduced--

S.F. No. 3334: A bill for an act relating to education; requiring student teacher placement within certain distance; removing requirements for a teacher candidate performance assessment; requiring rulemaking.

Referred to the Committee on Education Policy.

Senator Frenz introduced--

S.F. No. 3335: A bill for an act relating to capital investment; appropriating money for a playground in Gorman Park in the city of St. Peter; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Mathews moved that the name of Senator Bahr be added as a co-author to S.F. No. 426. The motion prevailed.

Senator Hauschild moved that the name of Senator Hoffman be added as a co-author to S.F. No. 570. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 666. The motion prevailed.

Senator Housley moved that the name of Senator Wesenberg be added as a co-author to S.F. No. 1651. The motion prevailed.

Senator Dibble moved that the name of Senator Abeler be added as a co-author to S.F. No. 1920. The motion prevailed.

Senator Johnson Stewart moved that the name of Senator Koran be added as a co-author to S.F. No. 2092. The motion prevailed.

Senator Dibble moved that the name of Senator Port be added as a co-author to S.F. No. 2370. The motion prevailed.

Senator Dibble moved that the name of Senator Mohamed be added as a co-author to S.F. No. 2842. The motion prevailed.

Senator Kunesh moved that the name of Senator Clark be added as a co-author to S.F. No. 2966. The motion prevailed.

Senator Mohamed moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 3040. The motion prevailed.

Senator Hoffman moved that the names of Senators Abeler and Kupec be added as co-authors to S.F. No. 3149. The motion prevailed.

Senator Hoffman moved that the name of Senator Abeler be added as a co-author to S.F. No. 3193. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 3210. The motion prevailed.

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

Senator Jasinski moved that the name of Senator Putnam be added as a co-author to S.F. No. 3244. The motion prevailed.

Senator Abeler moved that his name be stricken as a co-author to S.F. No. 3265. The motion prevailed.

Senator Westrom moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 3284. The motion prevailed.

Senator Nelson introduced --

Senate Resolution No. 24: A Senate resolution honoring Hillary Grodevant on receiving the 2025 Star of Life Award from the Minnesota Ambulance Association.

Referred to the Committee on Rules and Administration.

Senator Nelson introduced --

Senate Resolution No. 25: A Senate resolution honoring Tricia Riggott for receiving the 2025 Star of Life Award from the Minnesota Ambulance Association.

Referred to the Committee on Rules and Administration.

Senator Nelson introduced --

Senate Resolution No. 26: A Senate resolution honoring the Civic League Day Nursery.

Referred to the Committee on Rules and Administration.

Senator Nelson introduced --

Senate Resolution No. 27: A Senate resolution honoring Steven Strom on receiving the 2025 Star of Life Award from the Minnesota Ambulance Association.

Referred to the Committee on Rules and Administration.

Senator Hoffman introduced --

Senate Resolution No. 28: A Senate resolution recognizing Bret Heitkamp on the occasion of his retirement.

Referred to the Committee on Rules and Administration.

Senator Pappas introduced --

Senate Resolution No. 29: A Senate resolution criminalizing ecocide in the State of Minnesota.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Senators Fateh, Maye Quade, McEwen, Port, Wiklund, and Xiong were excused from the Session of today.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Wednesday, April 9, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

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