TWENTY-SECOND LEGISLATIVE DAY

St. Paul, Minnesota, Tuesday, April 22, 2025

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Kirsten Fryer.

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

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 7, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

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

BOARD OF THE PERPICH CENTER FOR ARTS EDUCATION

Dominique Pierre-Toussaint, of Eden Prairie, in the county of Hennepin, effective February 12, 2025, for a term expiring on January 1, 2029.

Shannon Finnegan, of Bloomington, in the county of Hennepin, effective February 12, 2025, for a term expiring on January 1, 2029.

Megan Haley, of Saint Paul, in the county of Ramsey, effective February 12, 2025, for a term expiring on January 1, 2029.

Timothy Wollenzien, of Moorhead, in the county of Clay, effective February 12, 2025, for a term expiring on January 1, 2029.

(Referred to the Committee on Education Policy.)

April 4, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

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

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Erich Heppner, of Staples, in the county of Wadena, effective April 9, 2025, for a term expiring on January 1, 2029.

David Rowland, of Edina, in the county of Hennepin, effective April 9, 2025, for a term expiring on January 1, 2029.

(Referred to the Committee on Higher Education.)

Sincerely,
Tim Walz, Governor

April 10, 2025

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 3, S.F. No. 823 and Chapter 4, S.F. No. 1360.

Sincerely,
Tim Walz, Governor

April 14, 2025

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2025 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2025	Date Filed 2025
823		3	2:16 p.m. April 10	April 10
1360		4	2:18 p.m. April 10	April 10

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 601, 854, 1027, 1722, and 2554.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 10, 2025

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 601: A bill for an act relating to agriculture; appropriating money for depredation compensation payments.

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

H.F. No. 854: A bill for an act relating to transportation; designating a segment of marked Trunk Highway 23 in Kandiyohi County as Sergeant Joshua A. Schmit Memorial Highway; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 1027: A bill for an act relating to real property; providing for mortgage foreclosure redemption and surpluses; amending Minnesota Statutes 2024, sections 272.45; 580.10; 580.225; 580.24; 580.25; 580.26; 580.28; 582.03, subdivisions 1, 2; 582.043, subdivision 6.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 1722: A bill for an act relating to highways; designating a segment of U.S. Highway 63 as "Officer Jason B. Meyer Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 2554: A bill for an act relating to transportation; designating the Elmstrand * Finseth * Ruge Heroes Memorial Bridge in the city of Burnsville; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

REPORTS OF COMMITTEES

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

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

S.F. No. 3054: A bill for an act relating to human services; modifying provisions relating to aging and older adult services, disability services, early intensive developmental and behavioral intervention, direct care and treatment, and health care; establishing a patient driven payment model phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust, recovery residence certification, and a working group; requiring stipend payments to certain collective bargaining unit members; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivision 1; 144.0724, subdivision 11; 144A.071, subdivisions 4a, 4c, 4d; 144A.161, subdivision 10; 179A.54, by adding a subdivision; 245.4661, subdivisions 2, 6, 7; 245.91, subdivision 4; 245C.16, subdivision 1; 245G.01, subdivision 13b, by adding subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22, subdivisions 11, 15; 246B.10; 254A.19, subdivision 4; 254B.01, subdivisions 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a; 254B.06, subdivision 2; 254B.09, subdivision 2; 254B.181, subdivisions 1, 2, 3, by adding subdivisions; 254B.19, subdivision 1; 256.01, subdivisions 29, 34; 256.043, subdivision 3; 256.9657, subdivision 1; 256B.04, subdivisions 12, 14; 256B.0625, subdivisions 5m, 17, by adding a subdivision; 256B.0659, subdivision 17a; 256B.0757, subdivision 4c; 256B.0924, subdivision 6; 256B.0949, subdivisions 15, 16, by adding a subdivision; 256B.19, subdivision 1;

256B.431, subdivision 30; 256B.49, by adding a subdivision; 256B.4914, subdivisions 3, 5, 5a, 5b, 6a, 7a, 7b, 7c, 8, 9, by adding subdivisions; 256B.85, subdivisions 7a, 8, 16; 256B.851, subdivisions 5, 6; 256G.01, subdivision 3; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.04, subdivision 2a; 256R.02, subdivisions 18, 19, 22, by adding subdivisions; 256R.10, subdivision 8; 256R.23, subdivisions 7, 8; 256R.24, subdivision 3; 256R.25; 256R.26, subdivision 9; 256R.43; 260E.14, subdivision 1; 325F.725; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 626.5572, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 245A; 254B; 256R; repealing Minnesota Statutes 2024, sections 144A.1888; 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04, subdivision 2a; 256B.0625, subdivisions 18b, 18e, 18h; 256B.434, subdivision 4; 256R.02, subdivision 38; 256R.12, subdivision 10; 256R.23, subdivision 6; 256R.36; 256R.40; 256R.41; 256R.481; 256R.53, subdivision 1.

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 OLDER ADULT SERVICES

Section 1. Minnesota Statutes 2024, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(v) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed $1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed $1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

~~(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;~~

~~(g)~~ (f) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

~~(h)~~ (g) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility

as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more;

~~(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;~~

~~(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434 or chapter 256R;~~

~~(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;~~

~~(l)~~ (h) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed $1,000,000;

~~(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;~~

~~(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;~~

~~(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;~~

~~(p)~~ (i) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a $100 per bed reactivation fee~~. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:~~;

~~(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;~~

~~(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.~~

~~The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;~~

~~(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed $2,490,000;~~

~~(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;~~

~~(t)~~ (j) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as

voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.;

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property-related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify to the licensee of a nursing home in Polk County that was destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least 25 beds to be located in Polk County and up to 104 beds distributed among up to three other counties. These beds may only be distributed to counties with fewer than the median number of age-intensity adjusted beds per thousand, as most recently published by the commissioner of human services. If the licensee chooses to distribute beds outside of Polk County under this paragraph, prior to distributing the beds, the commissioner of health must approve the location in which the licensee plans to distribute the beds. The commissioner of health shall consult with the commissioner of human services prior to approving the location of the proposed beds. The licensee may combine these beds with beds relocated from other nursing facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for the new nursing facilities shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be determined under section 256R.26. If the replacement beds permitted under this paragraph are combined with beds from other nursing facilities, the rates shall be calculated as the weighted average of rates determined as provided in this paragraph and section 256R.50;

~~(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;~~

~~(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;~~

~~(cc)~~ (k) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary; or

~~(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;~~

~~(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256R.40;~~

~~(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property-related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;~~

~~(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under chapter 256R and Minnesota Rules, parts 9549.0010 to 9549.0080; or~~

~~(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.~~

(l) to license or certify beds under provisions coded in this subdivision before the enactment of this law as paragraphs (f), (i) to (k), (m) to (bb), and (dd) to (ii).

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

Sec. 2. Minnesota Statutes 2024, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

~~(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;~~

~~(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.~~

~~The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;~~

~~(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;~~

~~(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. The property payment rate for the first three years of operation shall be $35 per day. For subsequent years, the property payment rate of $35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;~~

~~(5)~~ (1) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days; and

~~(6)~~ (2) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure rate adjustment under Minnesota Statutes 2024, section 256R.40. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a.

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

Sec. 3. Minnesota Statutes 2024, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant

of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and Minnesota Statutes 2024, section 256R.40, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate an external fixed costs rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under Minnesota Statutes 2024, section 256R.40, subdivision 5;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the first day of the month of January or July, whichever date occurs first following both the completion of the construction upgrades in the consolidation plan and the complete closure of the facility or facilities designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under housing support under chapter 256I;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under Minnesota Statutes 2024, section 256R.40; and

(7) the savings from not paying external fixed costs payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the external fixed costs payment rate adjustment under this subdivision, the closing facilities shall:

(1) submit an application for closure according to Minnesota Statutes 2024, section 256R.40, subdivision 2; and

(2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under subdivision 3 for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

(g) Projects approved on or after March 1, 2020, are not subject to paragraph (a), clauses (2) and (3), and paragraph (c). The 65 percent projected net cost savings to the state calculated in paragraph (b) must be applied to the moratorium cost of the project and the remainder must be added to the moratorium funding under section 144A.073, subdivision 11.

(h) Consolidation project applications not approved by the commissioner prior to March 1, 2020, are subject to the moratorium process under section 144A.073, subdivision 2. Upon request by the applicant, the commissioner may extend this deadline to August 1, 2020, so long as the facilities, bed numbers, and counties specified in the original application are not altered. Proposals from facilities seeking approval for a consolidation project prior to March 1, 2020, must be received by the commissioner no later than January 1, 2020. This paragraph expires August 1, 2020.

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

Sec. 4. Minnesota Statutes 2024, section 144A.161, subdivision 10, is amended to read:

Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the commissioner of human services must allow the facility a closure rate adjustment equal to a 50 percent payment rate increase to reimburse relocation costs or other costs related to facility closure. This rate increase is effective on the date the facility's occupancy decreases to 90 percent of capacity days after the written notice of closure is distributed under subdivision 5 and shall remain in effect for a period of up to 60 days. ~~The commissioner shall delay the implementation of rate adjustments under section 256R.40, subdivisions 5 and 6, to offset the cost of this rate adjustment.~~

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

Sec. 5. Minnesota Statutes 2024, section 144A.1888, is amended to read:

144A.1888 REUSE OF FACILITIES.

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service ~~approved by a regional planning group under section 256R.40~~ that serves a smaller number of persons than the number of persons served before the closure or curtailment, reduction, or change in operations.

Sec. 6. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as ~~$620~~ $2,815 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. ~~Beds on layaway status continue to be subject to the surcharge.~~ The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

~~(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to $625.~~

~~(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to $990.~~

~~(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to $2,815.~~

~~(e)~~ (b) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph ~~(d)~~ (a) based on the commissioner's determination of a permissible surcharge.

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

Sec. 7. **[256.9746] AGE-FRIENDLY MINNESOTA COUNCIL.**

Subdivision 1. **Establishment.** The Age-Friendly Minnesota Council is established to coordinate work across sectors, including state government, nonprofits, communities, businesses, and others, to ensure the state is an age-friendly state.

Subd. 2. **Membership.** (a) The council consists of 15 voting members.

(b) Each of the following commissioners and multimember state agencies must designate an Age-Friendly Minnesota lead and appoint that designee to serve as a council member:

(1) the Minnesota Board on Aging;

(2) the commissioner of commerce;

(3) the commissioner of employment and economic development;

(4) the commissioner of health;

(5) the commissioner of housing;

(6) the commissioner of human services;

(7) the commissioner of transportation;

(8) the commissioner of veterans affairs; and

(9) the Metropolitan Council.

(c) The governor shall appoint six additional public members to represent older adults in communities experiencing disparities, direct service caregivers, businesses, experts on aging, local governments, and Tribal communities. The appointment, terms, compensation, and removal of public members shall be as provided in section 15.059.

(d) Other state agencies and boards may participate on the council in a nonvoting capacity.

Subd. 3. **Chairperson; executive committee.** (a) The council shall elect a chairperson and other officers as it deems necessary and in accordance with the council's operating procedures.

(b) The council shall be governed by an executive committee elected by the members of the council. One member of the executive committee must be the council chairperson.

(c) The executive committee may appoint additional subcommittees and work groups as necessary to fulfill the duties of the council.

Subd. 4. **Meetings.** (a) The council shall meet at the call of the chairperson or at the request of a majority of council members. The council must meet at least quarterly. Meetings of the council are subject to section 13D.01, and notice of its meetings is governed by section 13D.04.

(b) Notwithstanding section 13D.01, the council may conduct a meeting of its members by telephone or other electronic means so long as:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear all discussion and all votes of members of the council and participate in testimony;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) each member's vote on each issue is identified and recorded by a roll call.

(c) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for the purposes of determining a quorum and participating in all proceedings. If telephone or another electronic means is used to conduct a meeting, the council, to the extent practicable, shall allow a person to monitor the meeting from a remote location. If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, that some members may participate by electronic means, and of the option to monitor the meeting electronically from a remote location.

Subd. 5. **Duties.** (a) The council's duties may include but are not limited to:

(1) elevating the voice of older adults in developing the vision and action plan for an age-friendly state;

(2) engaging with the community, including older adults, caregivers, businesses, experts, advocacy organizations, and other interested parties, to provide recommendations and update interested parties on the council's recommendations;

(3) identifying opportunities for and barriers to collaboration and coordination among services and state agencies responsible for funding and administering programs and public-private partnerships;

(4) promoting equity and making progress toward equitable outcomes by examining programs, policies, and practices to ensure they address disparities experienced by older adults in greater Minnesota, older adults of color, and indigenous older adults;

(5) catalyzing age-friendly work at the local level, engaging with and empowering older adults, local constituents, elected officials, and other interested parties to create change in every community;

(6) establishing a statewide framework that allows for local flexibility to tap into the potential presented by our aging communities and elevates aging across all of Minnesota;

(7) reviewing, awarding, and monitoring grants under section 256.9747;

(8) assessing and examining relevant programs, policies, practices, and services to make budget and policy recommendations to establish age-friendly policies in law with appropriate financial support to ensure Minnesota continues to lead on age-friendly initiatives; and

(9) making budget and policy recommendations to the governor, commissioners, boards, other state agencies, and the legislature to further the council's mission to ensure the state is an age-friendly state.

(b) The council may accept technical assistance and in-kind services from outside organizations for purposes consistent with the council's role and authority.

Subd. 6. **Administration.** The Minnesota Board on Aging and Department of Human Services shall provide staffing and administrative support to the council.

Subd. 7. **Annual report.** Beginning January 1, 2026, and every two years thereafter, the council shall publish a public report on the council's activities, the uses and measurable outcomes of the grant activities funded under section 256.9747, the council's recommendations, proposed changes to statutes or rules, and other issues the council may choose to report.

Sec. 8. **[256.9747] AGE-FRIENDLY MINNESOTA GRANTS.**

Subdivision 1. **Age-friendly community grants.** The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Age-Friendly Minnesota Council, shall develop the age-friendly community grant program to help communities, including cities, counties, other municipalities, Tribes, and collaborative efforts become age-friendly communities, with an emphasis on structures, services, and community features necessary to support older adult residents, including but not limited to:

(1) coordination of health and social services;

(2) transportation access;

(3) safe, affordable places to live;

(4) reducing social isolation and improving wellness;

(5) combating ageism and racism against older adults;

(6) accessible outdoor space and buildings;

(7) communication and information technology access; and

(8) opportunities to stay engaged and economically productive.

Subd. 2. **Age-friendly technical assistance grants.** The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Age-Friendly Minnesota Council, shall develop the age-friendly technical assistance grant program to support communities and organizations who need assistance in applying for age-friendly community grants and implementing various aspects of their grant-funded projects.

Sec. 9. Minnesota Statutes 2024, section 256B.431, subdivision 30, is amended to read:

Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph (c), and calculation of the rental per diem, have those beds given the same effect as if the beds had been delicensed so long as the beds remain on layaway. ~~At the time of a layaway, a facility may change its single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11.~~ The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the date on which the layaway of the beds becomes effective under section 144A.071, subdivision 4b.

(b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under that section or chapter that has placed beds on layaway shall, for so long as the beds remain on layaway, be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain ~~or change~~ the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the layaway and the number of beds after the layaway.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 or chapter 256R completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in Minnesota Statutes 2024, section 256B.434, subdivision 4~~, paragraph (c)~~. The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the date on which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under that section or chapter that has delicensed beds after July 1, 2000, by giving notice of the delicensure to the commissioner of health according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain ~~or change~~ the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the delicensure and the number of beds after the delicensure.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in Minnesota Statutes 2024, section 256B.434, subdivision 4~~, paragraph (c)~~. The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the date on which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section, section 256B.434, or chapter 256R, any beds placed on layaway shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section, section 256B.434, or chapter 256R, the rental rate calculated after placing beds on layaway may not be less than the rental rate prior to placing beds on layaway.

(g) A nursing facility receiving a rate adjustment as a result of this section shall comply with section 256R.06, subdivision 5.

(h) A facility that does not utilize the space made available as a result of bed layaway or delicensure under this subdivision to reduce the number of beds per room or provide more common space for nursing facility uses or perform other activities related to the operation of the nursing facility shall have its property rate increase calculated under this subdivision reduced by the ratio of the square footage made available that is not used for these purposes to the total square footage made available as a result of bed layaway or delicensure.

(i) The commissioner must not increase the property payment rates under this subdivision for beds placed in or removed from layaway on or after July 1, 2025.

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

Sec. 10. Minnesota Statutes 2024, section 256B.434, subdivision 4, is amended to read:

Subd. 4. **Alternate rates for nursing facilities.** Effective for the rate years beginning on and after January 1, ~~2019~~ 2026, a nursing facility's property payment rate ~~for the second and subsequent years of a facility's contract~~ under this section ~~are~~ is the facility's previous rate year's property payment rate ~~plus an inflation adjustment. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the Reports and Forecasts Division of the Department of Human Services, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined~~ as provided in the facility's contract under this section.

Sec. 11. Minnesota Statutes 2024, section 256R.02, subdivision 18, is amended to read:

Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means:

(1) premium expenses for group coverage;

(2) actual expenses incurred for self-insured plans, including actual claims paid, stop-loss premiums, and plan fees. Actual expenses incurred for self-insured plans does not include allowances for future funding unless the plan meets the ~~Medicare~~ provider reimbursement manual requirements for reporting on a premium basis when the ~~Medicare~~ provider reimbursement manual regulations define the actual costs; and

(3) employer contributions to employer-sponsored individual coverage health reimbursement arrangements as provided by Code of Federal Regulations, title 45, section 146.123, employee health reimbursement accounts, and health savings accounts.

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

Sec. 12. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; ~~planned closure rate adjustments under section 256R.40;~~ consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1) and ~~(6)~~ (2), and 4d; ~~single-bed room incentives under section 256R.41;~~ property taxes, special assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; and Public Employees Retirement Association employer costs~~; and border city rate adjustments under section 256R.481~~.

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

Sec. 13. Minnesota Statutes 2024, section 256R.02, subdivision 22, is amended to read:

Subd. 22. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life~~,~~; dental~~,~~; workers' compensation~~,~~; short- and long-term disability~~,~~; long-term care insurance~~,~~; accident insurance~~,~~; supplemental insurance~~,~~; legal assistance insurance~~,~~; profit sharing~~,~~; child care costs~~,~~; health insurance costs not covered under subdivision 18, including costs associated with eligible part-time employee family members or retirees~~,~~; and pension and retirement plan contributions, except for the Public Employees Retirement Association costs.

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

Sec. 14. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 36a. **Patient driven payment model or PDPM.** "Patient driven payment model" or "PDPM" has the meaning given in section 144.0724, subdivision 2.

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

Sec. 15. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 45a. **Resource utilization group or RUG.** "Resource utilization group" or "RUG" has the meaning given in section 144.0724, subdivision 2.

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

Sec. 16. Minnesota Statutes 2024, section 256R.10, subdivision 8, is amended to read:

Subd. 8. **Employer health insurance costs.** (a) Employer health insurance costs are allowable for (1) all nursing facility employees and (2) the spouse and dependents of those nursing facility employees who are employed on average at least 30 hours per week.

(b) Effective for the rate year beginning on January 1, 2026, the annual reimbursement cap for health insurance costs is $14,703, as adjusted according to paragraph (c). The allowable costs for health insurance must not exceed the reimbursement cap multiplied by the annual average month end number of allowed enrolled nursing facility employees from the applicable cost report period. For shared employees, the allowable number of enrolled employees includes only the nursing facility percentage of any shared allowed enrolled employees. The allowable number of enrolled employees

must not include non-nursing facility employees or individuals who elect COBRA continuation coverage.

(c) Effective for rate years beginning on or after January 1, 2026, the commissioner shall adjust the annual reimbursement cap for employer health insurance costs by the previous year's cap plus an inflation adjustment. The commissioner must index for the inflation based on the change in the Consumer Price Index (all items-urban) (CPI-U) forecasted by the Reports and Forecast Division of the Department of Human Services in the fourth quarter of the calendar year preceding the rate year. The commissioner must base the inflation adjustment on the 12-month period from the second quarter of the previous cost report year to the second quarter of the cost report year for which the cap is being applied.

~~(b)~~ (d) The commissioner must not treat employer contributions to employer-sponsored individual coverage health reimbursement arrangements as allowable costs if the facility does not provide the commissioner copies of the employer-sponsored individual coverage health reimbursement arrangement plan documents and documentation of any health insurance premiums and associated co-payments reimbursed under the arrangement. Documentation of reimbursements must denote any reimbursements for health insurance premiums or associated co-payments incurred by the spouses or dependents of nursing facility employees who work on average less than 30 hours per week.

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

Sec. 17. Minnesota Statutes 2024, section 256R.23, subdivision 5, is amended to read:

Subd. 5. **Determination of total care-related payment rate limits.** The commissioner must determine each facility's total care-related payment rate limit by:

(1) multiplying the facility's quality score, as determined under section 256R.16, subdivision 1, by ~~0.5625~~ 2.0;

(2) ~~adding 89.375 to~~ subtracting 40 from the amount determined in clause (1), and dividing the total by 100; and

(3) multiplying the amount determined in clause (2) by the median total care-related cost per day.

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

Sec. 18. Minnesota Statutes 2024, section 256R.23, subdivision 7, is amended to read:

Subd. 7. **Determination of direct care payment rates.** A facility's direct care payment rate equals the lesser of (1) the facility's direct care costs per standardized day, ~~or~~ (2) the facility's direct care costs per standardized day divided by its cost to limit ratio, or (3) 104 percent of the previous year's direct care payment rate.

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

Sec. 19. Minnesota Statutes 2024, section 256R.23, subdivision 8, is amended to read:

Subd. 8. **Determination of other care-related payment rates.** A facility's other care-related payment rate equals the lesser of (1) the facility's other care-related cost per resident day, ~~or~~ (2) the facility's other care-related cost per resident day divided by its cost to limit ratio, or (3) 104 percent of the previous year's other care-related payment rate.

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

Sec. 20. Minnesota Statutes 2024, section 256R.24, subdivision 3, is amended to read:

Subd. 3. **Determination of the other operating payment rate.** A facility's other operating payment rate equals the lesser of 105 percent of the median other operating cost per day or 104 percent of the previous year's other operating payment rate.

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

Sec. 21. Minnesota Statutes 2024, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

Subdivision 1. **Determination of external fixed cost payment rate.** ~~(a)~~ The payment rate for external fixed costs is the sum of the amounts in ~~paragraphs (b) to (p)~~ subdivisions 2 to 13.

Subd. 2. **Provider surcharges.** ~~(b)~~ For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

Subd. 3. **Licensure fees.** ~~(c)~~ The portion related to the licensure fee under section 144.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

Subd. 4. **Advisory councils.** ~~(d)~~ The portion related to development and education of resident and family advisory councils under section 144A.33 is $5 per resident day divided by 365.

Subd. 5. **Scholarships.** ~~(e)~~ The portion related to scholarships is determined under section 256R.37.

~~(f) The portion related to planned closure rate adjustments is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.~~

Subd. 6. **Consultations.** ~~(g)~~ The portion related to consolidation rate adjustments shall be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1) and ~~(6)~~ (2), and 4d.

~~(h) The portion related to single-bed room incentives is as determined under section 256R.41.~~

Subd. 7. **Taxes.** ~~(i)~~ The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed

the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

Subd. 8. **Health insurance.** ~~(j)~~ The portion related to employer health insurance costs is the allowable costs divided by the sum of the facility's resident days.

Subd. 9. **Public employees retirement.** ~~(k)~~ The portion related to the Public Employees Retirement Association is the allowable costs divided by the sum of the facility's resident days.

Subd. 10. **Quality improvement incentives.** ~~(l)~~ The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

Subd. 11. **Performance-based incentives.** ~~(m)~~ The portion related to performance-based incentive payments is the amount determined under section 256R.38.

Subd. 12. **Special diets.** ~~(n)~~ The portion related to special dietary needs is the amount determined under section 256R.51.

~~(o) The portion related to the rate adjustments for border city facilities is the amount determined under section 256R.481.~~

Subd. 13. **Critical access facilities.** ~~(p)~~ The portion related to the rate adjustment for critical access nursing facilities is the amount determined under section 256R.47.

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

Sec. 22. Minnesota Statutes 2024, section 256R.26, subdivision 9, is amended to read:

Subd. 9. **Transition period.** (a) A facility's property payment rate is the property rate established for the facility under sections 256B.431 and 256B.434 until the facility's property rate is transitioned upon completion of any project authorized under section 144A.071, subdivision 3 or 4d; or 144A.073, subdivision 3, to the fair rental value property rate calculated under this chapter.

(b) Effective the first day of the first month of the calendar quarter after the completion of the project described in paragraph (a), the commissioner shall transition a facility to the property payment rate calculated under this chapter. The initial rate year ends on December 31 and may be less than a full 12-month period. The commissioner shall schedule an appraisal within 90 days of the commissioner receiving notification from the facility that the project is completed. The commissioner shall apply the property payment rate determined after the appraisal retroactively to the first day of the first month of the calendar quarter after the completion of the project.

(c) Upon a facility's transition to the fair rental value property rates calculated under this chapter, the facility's total property payment rate under subdivision 8 shall be the only payment for costs related to capital assets, including depreciation, interest and lease expenses for all depreciable assets, including movable equipment, land improvements, and land. Facilities with property payment rates established under subdivisions 1 to 8 are not eligible for planned closure rate adjustments under Minnesota Statutes 2024, section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1) and ~~(6)~~ (2), and 4d; single-bed room incentives under

Minnesota Statutes 2024, section 256R.41; and the property rate inflation adjustment under Minnesota Statutes 2024, section 256B.434, subdivision 4. The commissioner shall remove any of these incentives from the facility's existing rate upon the facility transitioning to the fair rental value property rates calculated under this chapter.

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

Sec. 23. Minnesota Statutes 2024, section 256R.27, subdivision 2, is amended to read:

Subd. 2. **Determination of interim payment rates.** (a) The nursing facility shall submit an interim cost report in a format similar to the Minnesota Statistical and Cost Report and other supporting information as required by this chapter for the reporting year in which the nursing facility plans to begin operation at least 60 days before the first day a resident is admitted to the newly constructed nursing facility bed. The interim cost report must include the nursing facility's anticipated interim costs and anticipated interim resident days for each resident class in the interim cost report. The anticipated interim resident days for each resident class is multiplied by the weight for that resident class to determine the anticipated interim standardized days as defined in section 256R.02, subdivision 50, and resident days as defined in section 256R.02, subdivision 45, for the reporting period.

(b) The interim payment rates are determined according to sections 256R.21 to 256R.25, except that:

(1) the anticipated interim costs and anticipated interim resident days reported on the interim cost report and the anticipated interim standardized days as defined by section 256R.02, subdivision 50, must be used for the interim;

(2) the commissioner shall use anticipated interim costs and anticipated interim standardized days in determining the allowable historical direct care cost per standardized day as determined under section 256R.23, subdivision 2;

(3) the commissioner shall use anticipated interim costs and anticipated interim resident days in determining the allowable historical other care-related cost per resident day as determined under section 256R.23, subdivision 3;

(4) the commissioner shall use anticipated interim costs and anticipated interim resident days to determine the allowable historical external fixed costs per day under section 256R.25, ~~paragraphs (b) to (k)~~ subdivisions 2 to 9;

(5) the total care-related payment rate limits established in section 256R.23, subdivision 5, and in effect at the beginning of the interim period must be increased by ten percent; and

(6) the other operating payment rate as determined under section 256R.24 in effect for the rate year must be used for the other operating cost per day.

Sec. 24. Minnesota Statutes 2024, section 256R.27, subdivision 3, is amended to read:

Subd. 3. **Determination of settle-up payment rates.** (a) When the interim payment rates begin between May 1 and September 30, the nursing facility shall file settle-up cost reports for the period from the beginning of the interim payment rates through September 30 of the following year.

(b) When the interim payment rates begin between October 1 and April 30, the nursing facility shall file settle-up cost reports for the period from the beginning of the interim payment rates to the first September 30 following the beginning of the interim payment rates.

(c) The settle-up payment rates are determined according to sections 256R.21 to 256R.25, except that:

(1) the allowable costs and resident days reported on the settle-up cost report and the standardized days as defined by section 256R.02, subdivision 50, must be used for the interim and settle-up period;

(2) the commissioner shall use the allowable costs and standardized days in clause (1) to determine the allowable historical direct care cost per standardized day as determined under section 256R.23, subdivision 2;

(3) the commissioner shall use the allowable costs and the allowable resident days to determine both the allowable historical other care-related cost per resident day as determined under section 256R.23, subdivision 3;

(4) the commissioner shall use the allowable costs and the allowable resident days to determine the allowable historical external fixed costs per day under section 256R.25, ~~paragraphs (b) to (k)~~ subdivisions 2 to 9;

(5) the total care-related payment limits established in section 256R.23, subdivision 5, are the limits for the settle-up reporting periods. If the interim period includes more than one July 1 date, the commissioner shall use the total care-related payment rate limit established in section 256R.23, subdivision 5, increased by ten percent for the second July 1 date; and

(6) the other operating payment rate as determined under section 256R.24 in effect for the rate year must be used for the other operating cost per day.

Sec. 25. Minnesota Statutes 2024, section 256R.43, is amended to read:

256R.43 BED HOLDS.

The commissioner shall limit payment for leave days in a nursing facility to 30 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 96 percent, notwithstanding Minnesota Rules, part 9505.0415. For the purpose of establishing leave day payments, the commissioner shall determine occupancy based on the number of licensed and certified beds in the facility that are not in layaway status.

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

Sec. 26. **[256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

Subdivision 1. **PDPM phase-in.** From September 30, 2025, to December 31, 2028, for each facility, the commissioner shall determine an adjustment to its total payment rate as determined under sections 256R.21 and 256R.27 to phase in the transition from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system.

Subd. 2. **PDPM phase-in rate adjustment.** A facility's PDPM phase-in rate adjustment to its total payment rate is equal to:

(1) the blended case mix adjusted direct care payment rate determined in subdivision 6; minus

(2) the PDPM case mix adjusted direct care payment rate determined in section 256R.23, subdivision 7.

Subd. 3. **RUG-IV standardized days and RUG-IV facility case mix index.** (a) The commissioner must determine the RUG-IV standardized days and RUG-IV facility average case mix using the sum of the resident days by case mix classification.

(b) For the rate year beginning January 1, 2028, only:

(1) the commissioner must determine the RUG-IV facility average case mix using the sum of the resident days by the case mix classification as reported by the facility on its September 30, 2025, Minnesota Statistical and Cost Report; and

(2) the commissioner must determine the RUG-IV standardized days by multiplying the resident days as reported by the facility on its September 30, 2026, Minnesota Statistical and Cost Report by the RUG-IV facility average case mix index determined under clause (1).

Subd. 4. **RUG-IV case mix adjusted direct care payment rate.** The commissioner must determine a facility's RUG-IV case mix adjusted direct care payment rate as the product of:

(1) the facility's RUG-IV direct care payment rate determined in section 256R.23, subdivision 7, using the RUG-IV standardized days determined in subdivision 3; and

(2) the corresponding RUG-IV facility average case mix index for medical assistance days determined in subdivision 3.

Subd. 5. **PDPM case mix adjusted direct care payment rate.** The commissioner must determine a facility's PDPM case mix adjusted direct care payment rate as the product of:

(1) the facility's direct care payment rate determined in section 256R.23, subdivision 7; and

(2) the corresponding facility average case mix index.

Subd. 6. **Blended case mix adjusted direct care payment rate.** The commissioner must determine a facility's blended case mix adjusted direct care payment rate as the sum of:

(1) the RUG-IV case mix adjusted direct care payment rate determined in subdivision 4 multiplied by the following percentages:

(i) after September 30, 2025, through December 31, 2026, 75 percent;

(ii) after December 31, 2026, through December 31, 2027, 50 percent; and

(iii) after December 31, 2027, through December 31, 2028, 25 percent; and

(2) the PDPM case mix adjusted direct care payment rate determined in subdivision 5 multiplied by the following percentages:

(i) after September 30, 2025, through December 31, 2026, 25 percent;

(ii) after December 31, 2026, through December 31, 2027, 50 percent; and

(iii) after December 31, 2027, through December 31, 2028, 75 percent.

Subd. 7. **Expiration.** This section expires January 1, 2029.

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

Sec. 27. **[256R.532] NURSING FACILITY RATE ADD-ON FOR WORKFORCE STANDARDS.**

(a) Effective for rate years beginning on and after January 1, 2028, or upon federal approval, whichever is later, the commissioner shall annually provide a rate add-on amount for nursing facilities reimbursed under this chapter for the initial standards for wages for nursing home workers adopted by the Nursing Home Workforce Standards Board in Minnesota Rules, parts 5200.2060 to 5200.2090, pursuant to section 181.213, subdivision 2, paragraph (c). The add-on amount is equal to:

(1) $3.93 per resident day, effective January 1, 2028; and

(2) $8.55 per resident day, effective January 1, 2029.

(b) Effective upon federal approval, the commissioner must determine the add-on amount for subsequent rate years in consultation with the commissioner of labor and industry.

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

Sec. 28. Laws 2021, chapter 30, article 12, section 5, as amended by Laws 2021, First Special Session chapter 7, article 17, section 2, and Laws 2023, chapter 61, article 2, section 35, is amended to read:

Sec. 5. **GOVERNOR'S COUNCIL ON AN AGE-FRIENDLY MINNESOTA.**

The Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and private partners' collaborative work on emergency preparedness, with a focus on older adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic. The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30, ~~2027~~ 2025.

Sec. 29. **AGE-FRIENDLY MINNESOTA COUNCIL; CONTINUATION OF APPOINTMENTS AND DESIGNATION OF INITIAL TERMS.**

Subdivision 1. **Continuation of appointments.** Each member of the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, serving on June 30, 2025, shall be deemed appointed to the Age-Friendly Minnesota Council by the applicable appointing authority under Minnesota Statutes, section 256.9746, effective July 1, 2025.

Subd. 2. **First meeting.** The individual who was serving as chairperson of the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, as of June 30, 2025, must convene the first meeting of the Age-Friendly Minnesota Council no later than July 9, 2025. The former chairperson of the Governor's Council on an Age-Friendly Minnesota shall preside over the first meeting until the Age-Friendly Minnesota Council elects a chairperson.

Subd. 3. **Designation of initial terms.** The governor must notify the secretary of state which initial public members of the Age-Friendly Minnesota Council will have terms coterminous with that of the governor or request that the secretary of state randomly determine which initial public members will have terms coterminous with the governor's term.

Sec. 30. **DIRECTION TO THE COMMISSIONER; IMPACT STUDY OF REPEAL OF DISPROPORTIONATE SHARE PAYMENTS.**

(a) The commissioner of human services must conduct a study of the impact of the repeal of Minnesota Statutes, section 256S.205, on those facilities that received a rate floor payment in rate year 2025. For each facility that received a rate floor payment in rate year 2025, the commissioner must determine:

(1) how many facilities remain operational on September 1, 2026;

(2) the total number of residents of the facility on September 1, 2026;

(3) the proportion of residents of the facility who are customized living residents on September 1, 2026;

(4) the proportion of residents who are elderly waiver participants on September 1, 2026; and

(5) the difference by facility between the results under clauses (1) to (4) and the same or similar information submitted by the facility on its rate year 2025 application.

(b) The commissioner must solicit from each provider a summary of its financial position as of September 1, 2026, as compared to its financial position on September 1, 2025, and a statement of the facility's change in operational margin between September 1, 2025, and September 1, 2026. The controlling individual of a facility that submits a financial summary and statement of the facility's change in operational margin must attest to the accuracy of the financial summary and statement.

(c) By January 1, 2027, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services a report summarizing the data on the impact of the repeal of Minnesota Statutes, section 256S.205, on those facilities that received a rate floor payment in rate year 2025.

(d) The definitions in Minnesota Statutes 2024, section 256S.205, apply to this section.

Sec. 31. **REPEALER.**

(a) Minnesota Statutes 2024, sections 256R.02, subdivision 38; 256R.40; 256R.41; and 256R.481, are repealed.

(b) Minnesota Statutes 2024, sections 256R.12, subdivision 10; and 256R.36, are repealed.

(c) Minnesota Statutes 2024, section 256R.23, subdivision 6, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2026. Paragraph (b) is effective the day following final enactment. Paragraph (c) is effective October 1, 2025.

ARTICLE 2

DISABILITY SERVICES

Section 1. Minnesota Statutes 2024, section 144A.351, subdivision 1, is amended to read:

Subdivision 1. **Report requirements.** (a) The commissioners of health and human services, with the cooperation of counties and in consultation with stakeholders, including persons who need or are using long-term care services and supports, lead agencies, regional entities, senior, disability, and mental health organization representatives, service providers, and community members shall compile data regarding the status of the full range of long-term care services and supports for the elderly and children and adults with disabilities and mental illnesses in Minnesota. The compiled data shall include:

(1) demographics and need for long-term care services and supports in Minnesota;

(2) summary of county and regional reports on long-term care gaps, surpluses, imbalances, and corrective action plans;

(3) status of long-term care services and related mental health services, housing options, and supports by county and region including:

(i) changes in availability of the range of long-term care services and housing options;

(ii) access problems, including access to the least restrictive and most integrated services and settings, regarding long-term care services; and

(iii) comparative measures of long-term care services availability, including serving people in their home areas near family, and changes over time; ~~and~~

(4) recommendations regarding goals for the future of long-term care services and supports, policy and fiscal changes, and resource development and transition needs~~.~~; and

(5) the following information on the availability of integrated community supports, updated within 30 days of the end of each of four three-month reporting periods, which begin on January 1 of each year:

(i) the average number of integrated community supports beds occupied, per month, for the preceding reporting period;

(ii) the average number of integrated community supports beds available, per month, for the preceding reporting period;

(iii) the number of integrated community supports setting applications being reviewed by the commissioner of human services as of the final day of the reporting period; and

(vi) the average time of review for integrated community supports setting applications submitted during the preceding quarter.

(b) The commissioners of health and human services shall make the compiled data available on at least one of the department's websites.

Sec. 2. Minnesota Statutes 2024, section 179A.54, is amended by adding a subdivision to read:

Subd. 12. **Minnesota Caregiver Retirement Fund Trust.** (a) The state and an exclusive representative certified pursuant to this section may establish a joint labor and management trust, referred to as the Minnesota Caregiver Retirement Fund Trust, for the exclusive purpose of creating, implementing, and administering a retirement program for individual providers of direct support services who are represented by the exclusive representative.

(b) The state must make financial contributions to the Minnesota Caregiver Retirement Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The financial contributions by the state must be held in trust for the purpose of paying, from principal, income, or both, the costs associated with creating, implementing, and administering a defined contribution or other individual account retirement program for individual providers of direct support services working under a collective bargaining agreement and providing services through a covered program under section 256B.0711. A board of trustees composed of an equal number of trustees appointed by the governor and trustees appointed by the exclusive representative under this section must administer, manage, and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust must not be an agent of either the state or the exclusive representative.

(c) A third-party administrator, financial management institution, other appropriate entity, or any combination thereof may provide trust administrative, management, legal, and financial services to the board of trustees as designated by the board of trustees from time to time. The services must be paid from the money held in trust and created by the state's financial contributions to the Minnesota Caregiver Retirement Fund Trust.

(d) The state is authorized to purchase liability insurance for members of the board of trustees appointed by the governor.

(e) Financial contributions to or participation in the management or administration of the Minnesota Caregiver Retirement Fund Trust must not be considered an unfair labor practice under section 179A.13, or a violation of Minnesota law.

(f) Nothing in this section shall be construed to authorize the creation of a defined benefit retirement plan or program.

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

Sec. 3. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision to read:

Subd. 5. **Compliance education required.** The commissioner must make licensing compliance education available to all license holders operating programs licensed under both this chapter and chapter 245D. The licensing compliance education must include clear and accessible explanations of achieving and maintaining compliance with the relevant licensing requirements under this chapter and chapter 245D.

Sec. 4. Minnesota Statutes 2024, section 245A.06, subdivision 1a, is amended to read:

Subd. 1a. **Correction orders and conditional licenses for programs licensed as home and community-based services.** (a) For programs licensed under both this chapter and chapter 245D, if the license holder operates more than one service site under a single license governed by chapter 245D, the correction order or order of conditional license issued under this section shall be specific to the service site or sites at which the violations of applicable law or rules occurred. The order shall not apply to other service sites governed by chapter 245D and operated by the same license holder unless the commissioner has included in the order the articulable basis for applying the order to another service site.

(b) If the commissioner has issued more than one license to the license holder under this chapter, the ~~conditions imposed~~ order issued under this section shall be specific to the license for the program at which the violations of applicable law or rules occurred and shall not apply to other licenses held by the same license holder if those programs are being operated in substantial compliance with applicable law and rules.

(c) Prior to issuing an order of conditional license under this section to a license holder operating a program licensed under both this chapter and chapter 245D, the commissioner must inform the license holder that the next audit or investigation may lead to an order of conditional license if the provider fails to correct the violations specified in a prior correction order or has any new violations. Nothing in this paragraph limits the commissioner's authority to take immediate action under section 245A.07 to prevent or correct actions by the license holder that imminently endanger the health, safety, or rights of the persons served by the program.

(d) The commissioner may reduce the length of time of a conditional license for a license holder operating a program licensed under both this chapter and chapter 245D if the license holder demonstrates compliance or progress toward compliance before the conditional license period expires.

(e) By January 1, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over chapter 245D licensing on the number of correction orders and orders of conditional license issued to license holders who operate programs licensed under both this chapter and chapter 245D. The report must include aggregated data on the zip codes of locations, number of employees, license effective dates for any license holders subject to correction orders and orders of conditional license, and the commissioner's efforts to offer collaborative safety process improvements to license holders under section 245A.042 and this subdivision.

Sec. 5. Minnesota Statutes 2024, section 245A.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Human Services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:~~

~~(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and~~

~~(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.~~

(b) Notwithstanding paragraph (a), when a request for reconsideration is denied, the commissioner must offer the option of mediation for a license holder operating a program licensed under both this chapter and chapter 245D, if a license holder further disputes the commissioner's correction order. The costs of the mediation option under this paragraph must be paid by the license holder.

Sec. 6. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a ~~$500~~ $10,000 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a $250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in paragraph (c), an applicant shall apply for a license to provide services at a specific location.

(c) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide.

Sec. 7. **[245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVISIONAL LICENSURE.**

Subdivision 1. **Regulatory powers.** The commissioner shall regulate early intensive developmental and behavioral intervention (EIDBI) agencies pursuant to this section.

Subd. 2. **Provisional license.** (a) Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing standards are developed. Beginning January 1, 2026, no new EIDBI agencies shall be enrolled to provide EIDBI services. EIDBI agencies enrolled prior to January 1, 2026, have until April 1, 2026, to submit an application for provisional licensure on the forms and in the manner prescribed by the commissioner.

(b) Beginning April 2, 2026, an EIDBI agency must not operate if it has not submitted an application for provisional licensure under this section. The commissioner shall disenroll an EIDBI agency from providing EIDBI services if the EIDBI agency fails to submit an application for provisional licensure by April 1, 2026.

(c) A provisional license is effective until comprehensive EIDBI agency licensure standards are in effect unless the provisional license is revoked. An applicant whose application for provisional licensure under this section has been denied may request reconsideration under subdivision 8.

(d) Beginning January 1, 2027, an agency providing EIDBI services must not operate in Minnesota unless licensed under this section.

Subd. 3. **Provisional license regulatory functions.** The commissioner may:

(1) enter the physical premises of the program without advance notice in accordance with section 245A.04, subdivision 5;

(2) investigate reports of maltreatment;

(3) investigate complaints against EIDBI agencies limited to the provisions of this section;

(4) take action on a license pursuant to sections 245A.06 and 245A.07;

(5) deny an application for provisional licensure; and

(6) take other action reasonably required to accomplish the purposes of this section.

Subd. 4. **Provisional license requirements.** A provisional license holder must:

(1) identify all controlling individuals, as defined in section 245A.02, subdivision 5a, for the agency;

(2) provide documented disclosures surrounding the use of billing agencies or other consultants, available to the department upon request;

(3) establish provider policies and procedures related to staff training, staff qualifications, quality assurance, and service activities;

(4) document contracts with independent contractors for qualified supervising professionals, including the number of hours contracted and responsibilities, available to the department upon request; and

(5) comply with section 256B.0949, subdivisions 2, 3a, 6, 7, 14, 15, 16, and 16a, and exceptions to qualifications, standards, and requirements granted by the commissioner under section 256B.0949, subdivision 17.

Subd. 5. **Reporting of maltreatment.** EIDBI agencies must comply with the requirements of reporting of maltreatment of vulnerable adults and minors under section 626.557 and chapter 260E.

Subd. 6. **Background studies.** A provisional license holder must initiate a background study through the commissioner's NETStudy 2.0 system as provided under section 245C.03.

Subd. 7. **Revocations.** The commissioner may revoke a provisional license if the provisional license holder is not in substantial compliance with the requirements in this section.

Subd. 8. **Reconsideration.** (a) If a provisional license holder disagrees with a sanction under subdivision 7 or a denial of a provisional license application, the provisional license holder may request reconsideration by the commissioner. The reconsideration request process must be conducted internally by the commissioner and is not an administrative appeal under chapter 14 or section 256.045.

(b) The provisional licensee requesting the reconsideration must make the request on the forms and in the manner prescribed by the commissioner.

(c) A complete reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the provisional license holder receives notice of the sanction under subdivision 7.

Subd. 9. **Continued operation.** A provisional license holder may continue to operate after receiving notice of denial of a provisional license application or revocation:

(1) during the 15 calendar day reconsideration window; or

(2) during the pendency of a reconsideration.

Subd. 10. **Disenrollment.** The commissioner shall disenroll an EIDBI agency from providing EIDBI services if the EIDBI agency's application has been denied under subdivision 2 or the agency's provisional license has been revoked under subdivision 7.

Subd. 11. **Transition to nonprovisional EIDBI license; future licensure standards.** (a) The commissioner must develop a process and transition plan for comprehensive EIDBI agency licensure by July 1, 2027.

(b) By January 1, 2028, the commissioner shall establish standards for nonprovisional EIDBI agency licensure and submit proposed legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over human services licensing.

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

Sec. 8. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines that the individual studied has a disqualifying characteristic, the commissioner shall review the information immediately available and make a determination as to the subject's immediate risk of harm to persons served by the program where the individual studied will have direct contact with, or access to, people receiving services.

(b) The commissioner shall consider all relevant information available, including the following factors in determining the immediate risk of harm:

(1) the recency of the disqualifying characteristic;

(2) the recency of discharge from probation for the crimes;

(3) the number of disqualifying characteristics;

(4) the intrusiveness or violence of the disqualifying characteristic;

(5) the vulnerability of the victim involved in the disqualifying characteristic;

(6) the similarity of the victim to the persons served by the program where the individual studied will have direct contact;

(7) whether the individual has a disqualification from a previous background study that has not been set aside;

(8) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 1, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense in the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with, or access to, persons receiving services from the program and from working in a children's residential facility or foster residence setting; and

(9) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 2, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense during the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with or access to persons receiving services from the center and from working in a licensed child care center or certified license-exempt child care center.

(c) This section does not apply when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the subject is determined to be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

(d) This section does not apply to a background study related to an initial application for a child foster family setting license.

(e) Except for paragraph (f), this section does not apply to a background study that is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a personal care assistant or a qualified professional as defined in section 256B.0659, subdivision 1, or to a background study for an individual providing early intensive developmental and behavioral intervention services under section 245A.142 or 256B.0949.

(f) If the commissioner has reason to believe, based on arrest information or an active maltreatment investigation, that an individual poses an imminent risk of harm to persons receiving services, the commissioner may order that the person be continuously supervised or immediately removed pending the conclusion of the maltreatment investigation or criminal proceedings.

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

Sec. 9. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Positive support professional qualifications.** A positive support professional providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

(3) functional analysis;

(4) measurement of behavior and interpretation of data;

(5) selecting intervention outcomes and strategies;

(6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;

(7) data collection;

(8) staff and caregiver training;

(9) support plan monitoring;

(10) co-occurring mental disorders or neurocognitive disorder;

(11) demonstrated expertise with populations being served; and

(12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11);

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's needs as outlined in the person's assessment summary; ~~or~~

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services; or

(viii) person who has completed a competency-based training program as determined by the commissioner.

Sec. 10. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Positive support analyst qualifications.** (a) A positive support analyst providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must ~~have competencies in one of the following areas~~ satisfy one of the following requirements as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in either a social services discipline or nursing;

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17; ~~or~~

(3) be a board-certified behavior analyst or board-certified assistant behavior analyst by the Behavior Analyst Certification Board, Incorporated; or

(4) have completed a competency-based training program as determined by the commissioner.

(b) In addition, a positive support analyst must:

(1) either have two years of supervised experience conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder, or for those who have obtained a baccalaureate degree in one of the behavioral sciences or related fields, demonstrated expertise in positive support services;

(2) have received training prior to hire or within 90 calendar days of hire that includes:

(i) ten hours of instruction in functional assessment and functional analysis;

(ii) 20 hours of instruction in the understanding of the function of behavior;

(iii) ten hours of instruction on design of positive practices behavior support strategies;

(iv) 20 hours of instruction preparing written intervention strategies, designing data collection protocols, training other staff to implement positive practice strategies, summarizing and reporting program evaluation data, analyzing program evaluation data to identify design flaws in behavioral interventions or failures in implementation fidelity, and recommending enhancements based on evaluation data; and

(v) eight hours of instruction on principles of person-centered thinking;

(3) be determined by a positive support professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives positive support; and

(4) be under the direct supervision of a positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraph (b).

Sec. 11. Minnesota Statutes 2024, section 245D.12, is amended to read:

245D.12 INTEGRATED COMMUNITY SUPPORTS~~; SETTING CAPACITY REPORT~~.

Subdivision 1. **Setting capacity report.** (a) The license holder providing integrated community support, as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), must submit a setting capacity report to the commissioner to ensure the identified location of service delivery meets the criteria of the home and community-based service requirements as specified in section 256B.492.

(b) The license holder shall provide the setting capacity report on the forms and in the manner prescribed by the commissioner. The report must include:

(1) the address of the multifamily housing building where the license holder delivers integrated community supports and owns, leases, or has a direct or indirect financial relationship with the property owner;

(2) the total number of living units in the multifamily housing building described in clause (1) where integrated community supports are delivered;

(3) the total number of living units in the multifamily housing building described in clause (1), including the living units identified in clause (2);

(4) the total number of people who could reside in the living units in the multifamily housing building described in clause (2) and receive integrated community supports; and

(5) the percentage of living units that are controlled by the license holder in the multifamily housing building by dividing clause (2) by clause (3).

(c) Only one license holder may deliver integrated community supports at the address of the multifamily housing building.

Subd. 2. **Setting approval moratorium.** (a) The commissioner must not approve an integrated community supports setting for which a setting capacity report was submitted between July 1, 2025, and June 30, 2027.

(b) The commissioner may approve exceptions to the approval moratorium under this subdivision if the commissioner determines:

(1) a new integrated community supports setting is needed to provide integrated community supports for a person requiring hospital-level care;

(2) a new integrated community supports setting is needed for a licensed assisted living facility that is closing or converting from an assisted living facility license to a licensed integrated community supports provider; or

(3) a new integrated community supports setting with specialized qualities, including wheelchair accessible units, specialized equipment, or other unique qualities is needed to meet the needs of a client identified by the local county board.

(c) When approving an exception under this subdivision, the commissioner shall consider: the availability of approved integrated community supports settings in the geographic area where the licensee seeks to operate, including the number of living units approved and the total number of people who could reside in the approved living units while receiving integrated community services; the results of a person's choices during the person's annual assessment and service plan review; and the recommendation of the local county board. The approval or denial of an exception by the commissioner is final and is not subject to appeal.

Sec. 12. **[245D.13] OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN.**

Subdivision 1. **Licensed setting required.** A license holder with a home and community-based services license providing out-of-home respite care services for children may do so only in a licensed setting, unless exempt under subdivision 2. For the purposes of this section, "respite care services" has the meaning given in section 245A.02, subdivision 15.

Subd. 2. **Exemption from licensed setting requirement.** (a) The exemption under this subdivision does not apply to the provision of respite care services to a child in foster care under chapter 260C or 260D.

(b) A license holder with a home and community-based services license may provide out-of-home respite care services for children in an unlicensed residential setting if:

(1) all background studies are completed according to the requirements in chapter 245C;

(2) a child's case manager conducts and documents an assessment of the residential setting and its environment before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence. The assessment must ensure that the setting is suitable for the child receiving respite care services. The assessment must be conducted and documented in the manner prescribed by the commissioner;

(3) the child's legal representative visits the residence and signs and dates a statement authorizing services in the residence before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence;

(4) the services are provided in a residential setting that is not licensed to provide any other licensed services;

(5) the services are provided to no more than four children at any one time. Each child must have an individual bedroom, except two siblings may share a bedroom;

(6) the services are not provided to children and adults over the age of 21 in the same residence at the same time;

(7) the services are not provided to a single family for more than 46 calendar days in a calendar year and no more than ten consecutive days;

(8) the license holder's license was not made conditional, suspended, or revoked during the previous 24 months; and

(9) each individual in the residence at the time services are provided, other than individuals receiving services, is an employee, as defined under section 245C.02, of the license holder and has had a background study completed under chapter 245C. No other household members or other individuals may be present in the residence while services are provided.

(c) A child may not receive out-of-home respite care services in more than two unlicensed residential settings in a calendar year.

(d) The license holder must ensure the requirements in this section are met.

Subd. 3. **Documentation requirements.** The license holder must maintain documentation of the following:

(1) background studies completed under chapter 245C;

(2) service recipient records indicating the calendar dates and times when services were provided;

(3) the case manager's initial residential setting assessment and each residential assessment completed thereafter; and

(4) the legal representative's approval of the residential setting before services are provided and each year thereafter.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2024, section 252.32, subdivision 3, is amended to read:

Subd. 3. **Amount of support grant; use.** (a) Support grant amounts shall be determined by the county social service agency. Services and items purchased with a support grant must:

(1) be over and above the normal costs of caring for the dependent if the dependent did not have a disability, including adaptive or one-on-one swimming lessons for drowning prevention for a dependent whose disability puts them at a higher risk of drowning according to the Centers for Disease Control Vital Statistics System;

(2) be directly attributable to the dependent's disabling condition; and

(3) enable the family to delay or prevent the out-of-home placement of the dependent.

(b) The design and delivery of services and items purchased under this section must be provided in the least restrictive environment possible, consistent with the needs identified in the individual service plan.

(c) Items and services purchased with support grants must be those for which there are no other public or private funds available to the family. Fees assessed to parents for health or human services that are funded by federal, state, or county dollars are not reimbursable through this program.

(d) In approving or denying applications, the county shall consider the following factors:

(1) the extent and areas of the functional limitations of a child with a disability;

(2) the degree of need in the home environment for additional support; and

(3) the potential effectiveness of the grant to maintain and support the person in the family environment.

(e) The maximum monthly grant amount shall be $250 per eligible dependent, or $3,000 per eligible dependent per state fiscal year, within the limits of available funds and as adjusted by any legislatively authorized cost of living adjustment. The county social service agency may consider the dependent's Supplemental Security Income in determining the amount of the support grant.

(f) Any adjustments to their monthly grant amount must be based on the needs of the family and funding availability.

Sec. 14. Minnesota Statutes 2024, section 256.476, subdivision 4, is amended to read:

Subd. 4. **Support grants; criteria and limitations.** (a) A county board may choose to participate in the consumer support grant program. If a county has not chosen to participate by July 1, 2002, the commissioner shall contract with another county or other entity to provide access to residents of the nonparticipating county who choose the consumer support grant option. The commissioner shall notify the county board in a county that has declined to participate of the commissioner's intent to enter into a contract with another county or other entity at least 30 days in advance of entering into the contract. The local agency shall establish written procedures and criteria to determine the amount and use of support grants. These procedures must include, at least, the availability of respite care, assistance with daily living, and adaptive aids. The local agency may establish monthly or annual maximum amounts for grants and procedures where exceptional resources may be required to meet the health and safety needs of the person on a time-limited basis, however, the total amount awarded to each individual may not exceed the limits established in subdivision 11.

(b) Support grants to a person, a person's legal representative, or other authorized representative will be provided through a monthly subsidy payment and be in the form of cash, voucher, or direct county payment to vendor. Support grant amounts must be determined by the local agency. Each service and item purchased with a support grant must meet all of the following criteria:

(1) it must be over and above the normal cost of caring for the person if the person did not have functional limitations, including adaptive or one-on-one swimming lessons for drowning prevention for a person whose disability puts them at a higher risk of drowning according to the Centers for Disease Control Vital Statistics System;

(2) it must be directly attributable to the person's functional limitations;

(3) it must enable the person, a person's legal representative, or other authorized representative to delay or prevent out-of-home placement of the person; and

(4) it must be consistent with the needs identified in the service agreement, when applicable.

(c) Items and services purchased with support grants must be those for which there are no other public or private funds available to the person, a person's legal representative, or other authorized representative. Fees assessed to the person or the person's family for health and human services are not reimbursable through the grant.

(d) In approving or denying applications, the local agency shall consider the following factors:

(1) the extent and areas of the person's functional limitations;

(2) the degree of need in the home environment for additional support; and

(3) the potential effectiveness of the grant to maintain and support the person in the family environment or the person's own home.

(e) At the time of application to the program or screening for other services, the person, a person's legal representative, or other authorized representative shall be provided sufficient information to ensure an informed choice of alternatives by the person, the person's legal representative, or other authorized representative, if any. The application shall be made to the local agency and shall specify the needs of the person or the person's legal representative or other authorized representative, the

form and amount of grant requested, the items and services to be reimbursed, and evidence of eligibility for medical assistance.

(f) Upon approval of an application by the local agency and agreement on a support plan for the person or the person's legal representative or other authorized representative, the local agency shall make grants to the person or the person's legal representative or other authorized representative. The grant shall be in an amount for the direct costs of the services or supports outlined in the service agreement.

(g) Reimbursable costs shall not include costs for resources already available, such as special education classes, day training and habilitation, case management, other services to which the person is entitled, medical costs covered by insurance or other health programs, or other resources usually available at no cost to the person or the person's legal representative or other authorized representative.

(h) The state of Minnesota, the county boards participating in the consumer support grant program, or the agencies acting on behalf of the county boards in the implementation and administration of the consumer support grant program shall not be liable for damages, injuries, or liabilities sustained through the purchase of support by the individual, the individual's family, or the authorized representative under this section with funds received through the consumer support grant program. Liabilities include but are not limited to: workers' compensation liability, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA). For purposes of this section, participating county boards and agencies acting on behalf of county boards are exempt from the provisions of section 268.035.

Sec. 15. **[256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY EXPANSION GRANT.**

Subdivision 1. **Establishment.** (a) A disability services technology and advocacy expansion grant is established to:

(1) support the expansion of assistive technology and remote support services for people with disabilities; and

(2) strengthen advocacy efforts for individuals with disabilities and the providers who serve individuals with disabilities.

(b) The commissioner of human services must award the grant to an eligible grantee.

Subd. 2. **Eligible grantee.** An eligible grantee must:

(1) be a nonprofit organization with a statewide reach;

(2) have demonstrated knowledge of various forms of assistive technology and remote support for people with disabilities; and

(3) have proven capacity to provide education and training to multiple constituencies.

Subd. 3. **Allowable uses of grant money.** Grant money must be used to:

(1) develop and deliver comprehensive training programs for lead agencies, disability service providers, schools, employment support agencies, and individuals with disabilities and their families to ensure effective use of assistive technology and remote support tools. Training must address specific challenges faced by individuals with disabilities, such as accessibility, independence, and health monitoring;

(2) provide resources and support to advocacy organizations that work with individuals with disabilities and service providers. Resources and support must be used to promote the use of assistive technology to increase self-determination and community participation;

(3) maintain, distribute, and create accessible resources related to assistive technology and remote support. Materials must be tailored to address the unique needs of individuals with disabilities and the people and organizations who support individuals with disabilities;

(4) conduct research to explore new and emerging assistive technology solutions that address the evolving needs of individuals with disabilities. The research must emphasize the role of technology in promoting independence, improving quality of life, and ensuring safety; and

(5) conduct outreach initiatives to engage disability communities, service providers, and advocacy groups across Minnesota to promote awareness of assistive technology and remote support services. Outreach initiatives must focus on reaching underserved and rural populations.

Subd. 4. **Evaluation and reporting requirements.** (a) The grant recipient must submit an annual report by June 30 each year to the legislative committees with jurisdiction over disability services. The annual report must include:

(1) the number of individuals with disabilities and service providers who received training during the reporting year;

(2) data on the impact of assistive technology and remote support in improving quality of life, safety, and independence for individuals with disabilities; and

(3) recommendations for further advancing technology-driven disability advocacy efforts based on feedback and research findings.

(b) No later than three months after the grant period has ended, a final evaluation must be submitted to the legislative committees with jurisdiction over disability services to assess the overall impact on expanding access to assistive technology and remote support, with a focus on lessons learned and future opportunities for Minnesota's disability communities and service providers.

Subd. 5. **Grant period.** The grant period under this section is from July 1, 2025, to June 30, 2030.

Sec. 16. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the

commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate ~~each~~:

(1) each provider under this subdivision at least once every five years; ~~and~~

(2) each personal care assistance agency under this subdivision once every three years~~.~~; and

(3) at the commissioner's discretion, any other Medicaid-only provider type the commissioner deems "high risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct

unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

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

Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 17a, is amended to read:

Subd. 17a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d).

~~(b)~~ (c) A personal care assistance provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the personal care assistants, including any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums. The agency must not use the additional revenue attributable to any enhanced rate under this subdivision to pay for mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or any other employee benefits.

~~(c)~~ (d) Any change in the eligibility criteria for the enhanced rate for personal care assistance services as described in this subdivision and referenced in subdivision 11, paragraph (d), does not constitute a change in a term or condition for individual providers as defined in section 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

Sec. 18. 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.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. 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. 20. 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 the person's 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.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

Subd. 26. **Determination of institutional level of care.** (a) The determination of need for hospital and intermediate care facility levels of care must be made according to criteria developed by the commissioner, and in section 256B.092, using forms developed by the commissioner.

(b) Except as provided in paragraph (c), the determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11.

(c) Effective for determinations of need for nursing level of care made on or after January 1, 2027, for the purposes of waiver services provided under section 256B.49, the commissioner must make the determination of need for nursing facility level of care based on the criteria in section 144.0724, subdivision 11, paragraph (a), clauses (1) to (6). If a person is found ineligible for waiver services under this paragraph because of a determination that the person meets only the nursing facility level of care under section 144.0724, subdivision 11, paragraph (a), clause (7), the lead agency must review the person's latest assessment under section 256B.0911 to determine if the person meets any of the nursing facility level of care criteria under section 144.0724, subdivision 11, paragraph (a), clauses (1) to (6). If the lead agency determines after the review that the person does not meet any of the nursing facility level of care criteria under section 144.0724, subdivision 11, paragraph (a), clauses (1) to (6), the lead agency must provide a notice of action to the person informing the person specifically that the person's waiver services are being terminated because the person meets only the nursing facility level of care of under section 144.0724, subdivision 11, paragraph (a), clause (7), which is no longer a basis for waiver eligibility. The lead agency must also inform the person of other benefits options for which the person may be eligible. For existing waiver participants, the effective date of the termination of waiver services based on this paragraph must be no sooner than 90 days after the date of the assessment under section 256B.0911.

Sec. 22. Minnesota Statutes 2024, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. **Payment for targeted case management.** (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment

for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact either in person or by interactive video that meets the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county must document, in the recipient's file, the need for team targeted case management and a description of the different roles of the team members.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county staff under this section, the

centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

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

Sec. 23. Minnesota Statutes 2024, section 256B.0949, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this subdivision.

(b) "Advanced certification" means a person who has completed advanced certification in an approved modality under subdivision 13, paragraph (b).

(c) "Agency" means the legal entity that is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide EIDBI services and that has the legal responsibility to ensure that its employees or contractors carry out the responsibilities defined in this section. Agency includes a licensed individual professional who practices independently and acts as an agency.

(d) "Autism spectrum disorder or a related condition" or "ASD or a related condition" means either autism spectrum disorder (ASD) as defined in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found to be closely related to ASD, as identified under the current version of the DSM, and meets all of the following criteria:

(1) is severe and chronic;

(2) results in impairment of adaptive behavior and function similar to that of a person with ASD;

(3) requires treatment or services similar to those required for a person with ASD; and

(4) results in substantial functional limitations in three core developmental deficits of ASD: social or interpersonal interaction; functional communication, including nonverbal or social communication; and restrictive or repetitive behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits or a high level of support in one or more of the following domains:

(i) behavioral challenges and self-regulation;

(ii) cognition;

(iii) learning and play;

(iv) self-care; or

(v) safety.

(e) "Person" means a person under 21 years of age.

(f) "Clinical supervision" means the overall responsibility for the control and direction of EIDBI service delivery, including individual treatment planning, staff supervision, individual treatment plan progress monitoring, and treatment review for each person. Clinical supervision is provided by a qualified supervising professional (QSP) who takes full professional responsibility for the service provided by each supervisee.

(g) "Commissioner" means the commissioner of human services, unless otherwise specified.

(h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive evaluation of a person to determine medical necessity for EIDBI services based on the requirements in subdivision 5.

(i) "Department" means the Department of Human Services, unless otherwise specified.

(j) "Early intensive developmental and behavioral intervention benefit" or "EIDBI benefit" means a variety of individualized, intensive treatment modalities approved and published by the commissioner that are based in behavioral and developmental science consistent with best practices on effectiveness.

(k) "Employee" means any person who is employed by an agency, including temporary and part-time employees, and who performs work for at least 80 hours in a year for that agency in Minnesota. Employee does not include an independent contractor.

~~(k)~~ (l) "Generalizable goals" means results or gains that are observed during a variety of activities over time with different people, such as providers, family members, other adults, and people, and in different environments including, but not limited to, clinics, homes, schools, and the community.

~~(l)~~ (m) "Incident" means when any of the following occur:

(1) an illness, accident, or injury that requires first aid treatment;

(2) a bump or blow to the head; or

(3) an unusual or unexpected event that jeopardizes the safety of a person or staff, including a person leaving the agency unattended.

~~(m)~~ (n) "Individual treatment plan" or "ITP" means the person-centered, individualized written plan of care that integrates and coordinates person and family information from the CMDE for a person who meets medical necessity for the EIDBI benefit. An individual treatment plan must meet the standards in subdivision 6.

~~(n)~~ (o) "Legal representative" means the parent of a child who is under 18 years of age, a court-appointed guardian, or other representative with legal authority to make decisions about service for a person. For the purpose of this subdivision, "other representative with legal authority to make decisions" includes a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

~~(o)~~ (p) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

~~(p)~~ (q) "Person-centered" means a service that both responds to the identified needs, interests, values, preferences, and desired outcomes of the person or the person's legal representative and respects the person's history, dignity, and cultural background and allows inclusion and participation in the person's community.

~~(q)~~ (r) "Qualified EIDBI provider" means a person who is a QSP or a level I, level II, or level III treatment provider.

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

Sec. 24. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be ~~employed by~~ an employee of an agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

(b) A level I treatment provider must be ~~employed by~~ an employee of an agency and:

(1) have at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or an equivalent combination of documented coursework or hours of experience; and

(2) have or be at least one of the following:

(i) a master's degree in behavioral health or child development or related fields including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university;

(ii) a bachelor's degree in a behavioral health, child development, or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy, from an accredited college or university, and advanced certification in a treatment modality recognized by the department;

(iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical experience that meets all registration, supervision, and continuing education requirements of the certification.

(c) A level II treatment provider must be ~~employed by~~ an employee of an agency and must be:

(1) a person who has a bachelor's degree from an accredited college or university in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy; and meets at least one of the following:

(i) has at least 1,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience;

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board or a qualified autism service practitioner from the Qualified Applied Behavior Analysis Credentialing Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board or an applied behavior analysis technician as defined by the Qualified Applied Behavior Analysis Credentialing Board; or

(iv) is certified in one of the other treatment modalities recognized by the department; or

(2) a person who has:

(i) an associate's degree in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university; and

(ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

(5) a person who is at least 18 years of age and who:

(i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

(ii) completed the level III EIDBI training requirements; and

(iii) receives observation and direction from a QSP or level I treatment provider at least once a week until the person meets 1,000 hours of supervised clinical experience.

(d) A level III treatment provider must be ~~employed by~~ an employee of an agency, have completed the level III training requirement, be at least 18 years of age, and have at least one of the following:

(1) a high school diploma or commissioner of education-selected high school equivalency certification;

(2) fluency in a non-English language or Tribal Nation certification;

(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

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

Sec. 25. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all applicable provider standards and requirements;

(2) demonstrate compliance with federal and state laws for EIDBI service;

(3) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(4) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because

of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(5) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services;

(6) have an office located in Minnesota or a border state;

(7) conduct a criminal background check on an individual who has direct contact with the person or the person's legal representative;

(8) report maltreatment according to section 626.557 and chapter 260E;

(9) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(10) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(11) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(12) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident; ~~and~~

(13) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment~~.~~;

(14) provide clinical supervision by a qualified supervising professional for a minimum of one hour of supervision for every ten hours of direct treatment per person that meets clinical licensure requirements for quality supervision and effective intervention; and

(15) provide clinical, in-person supervision sessions by a qualified supervising professional at least once per month for intervention, observation, and direction.

(b) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 26. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to read:

Subd. 16a. **Background studies.** An early intensive developmental and behavioral intervention services agency must fulfill any background studies requirements under this section by initiating a background study through the commissioner's NETStudy 2.0 system as provided under sections 245C.03, subdivision 15, and 245C.10, subdivision 17.

Sec. 27. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 18. **Provisional licensure.** Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies pursuant to section 245A.142.

Sec. 28. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. **Division of cost.** (a) The state and county share of medical assistance costs not paid by federal funds shall be as follows:

(1) beginning January 1, 1992, 50 percent state funds and 50 percent county funds for the cost of placement of severely emotionally disturbed children in regional treatment centers;

(2) beginning January 1, 2003, 80 percent state funds and 20 percent county funds for the costs of nursing facility placements of persons with disabilities under the age of 65 that have exceeded 90 days. This clause shall be subject to chapter 256G and shall not apply to placements in facilities not certified to participate in medical assistance;

(3) beginning July 1, 2004, 90 percent state funds and ten percent county funds for the costs of placements that have exceeded 90 days in intermediate care facilities for persons with developmental disabilities that have seven or more beds. This provision includes pass-through payments made under section 256B.5015; ~~and~~

(4) beginning July 1, 2004, when state funds are used to pay for a nursing facility placement due to the facility's status as an institution for mental diseases (IMD), the county shall pay 20 percent of the nonfederal share of costs that have exceeded 90 days. This clause is subject to chapter 256G~~.~~; and

(5) beginning July 1, 2026, or upon federal approval, whichever is later, 98 percent state funds and two percent county funds for the costs of services for all people receiving community residential services, family residential services, customized living services, or integrated community supports under section 256B.4914.

(b) For counties that participate in a Medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

(c) In counties where prepaid health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment ordered without consulting the prepaid health plan that does not include diagnostic evaluation, recommendation, and referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

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

Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** ~~(a)~~ Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

(1) 24-hour customized living;

(2) adult day services;

(3) adult day services bath;

(4) community residential services;

(5) customized living;

(6) day support services;

(7) employment development services;

(8) employment exploration services;

(9) employment support services;

(10) family residential services;

(11) individualized home supports;

(12) individualized home supports with family training;

(13) individualized home supports with training;

(14) integrated community supports;

(15) life sharing;

(16) effective until the effective date of clauses (17) and (18), night supervision;

(17) effective January 1, 2026, or upon federal approval, whichever is later, awake night supervision;

(18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night supervision;

~~(17)~~ (19) positive support services;

~~(18)~~ (20) prevocational services;

~~(19)~~ (21) residential support services;

~~(20) respite services;~~

~~(21)~~ (22) transportation services; and

~~(22)~~ (23) other services as approved by the federal government in the state home and community-based services waiver plan.

~~(b) Effective January 1, 2024, or upon federal approval, whichever is later, respite services under paragraph (a), clause (20), are not an applicable service under this section.~~

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

Sec. 30. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index; establishment ~~and updates.~~** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of calculating the base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational Handbook must be used.

(b) The commissioner shall ~~update~~ establish the base wage index in subdivision 5a, publish these updated values, and load them into the rate management system ~~as follows:~~

~~(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics available as of December 31, 2019;~~

~~(2)~~ on January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics published in March 2022~~; and~~.

~~(3) on January 1, 2026, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics published in the spring approximately 21 months prior to the scheduled update.~~

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

Sec. 31. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as follows:

(1) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of positive supports professional, positive supports analyst, and positive supports specialist, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141);

(3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061);

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers;

(5) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant (SOC code 31-1131); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC code 31-1131); and 30 percent of the median wage for home health and personal care aide (SOC code 31-1120);

(7) for day support services staff and prevocational services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for positive supports analyst staff, 100 percent of the median wage for substance abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

(9) for positive supports professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(10) for positive supports specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(11) for individualized home supports with family training staff, 20 percent of the median wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for individualized home supports with training services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(13) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(14) for employment exploration services staff, 50 percent of the median wage for education, guidance, school, and vocational counselor (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for individualized home support without training staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the median wage for nursing assistant (SOC code 31-1131); ~~and~~

(17) effective until the effective date of clauses (18) and (19), for night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093)~~.~~;

(18) effective January 1, 2026, or upon federal approval, whichever is later, for awake night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

(19) effective January 1, 2026, or upon federal approval, whichever is later, for asleep night supervision staff, the minimum wage in Minnesota for large employers.

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

Sec. 32. Minnesota Statutes 2024, section 256B.4914, subdivision 5b, is amended to read:

Subd. 5b. **Standard component value adjustments.** The commissioner shall update the base wage index under subdivision 5a; the client and programming support, transportation, and program facility cost component values as required in subdivisions 6 to 9; and the rates identified in subdivision 19 for changes in the Consumer Price Index. The commissioner shall adjust these values higher or lower, publish these updated values, and load them into the rate management system ~~as follows:~~

~~(1) on January 1, 2022, by the percentage change in the CPI-U from the date of the previous update to the data available on December 31, 2019;~~

~~(2) on January 1, 2024, by the percentage change in the CPI-U from the date of the previous update to the data available as of December 31, 2022; and~~

~~(3)~~ on January 1, 2026, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available 24 months and one day prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 33. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

Subd. 6a. **Community residential services; component values and calculation of payment rates.** (a) Component values for community residential services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 13.25 percent;

(6) program-related expense ratio: 1.3 percent; and

(7) absence and utilization factor ratio: 3.9 percent.

(b) Payments for community residential services must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs provided on site or through monitoring technology;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the product of the supervision span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), excluding any shared direct staffing and individual direct staffing hours provided through monitoring technology, and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost, excluding any shared direct staffing and individual hours provided through monitoring technology, by one plus the employee-related cost ratio;

(9) for client programming and supports, add $2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) for transportation, if provided, add $1,742.62 divided by 365, or $3,111.81 divided by 365 if customized for adapted transport, based on the resident with the highest assessed need. The commissioner shall update the amounts in this clause as specified in subdivision 5b;

(11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing and individual direct staffing hours provided through monitoring technology that was excluded in clause (8);

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount; and

(14) adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

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

Sec. 34. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

Subd. 6b. **Family residential services; component values and calculation of payment rates.** (a) Component values for family residential services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 3.3 percent;

(6) program-related expense ratio: 1.3 percent; and

(7) absence factor: 1.7 percent.

(b) Payments for family residential services must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs provided on site or through monitoring technology;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), excluding any shared direct staffing and individual direct staffing hours provided through monitoring technology, and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost, excluding any shared and individual direct staffing hours provided through monitoring technology, by one plus the employee-related cost ratio;

(9) for client programming and supports, add $2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) for transportation, if provided, add $1,742.62 divided by 365, or $3,111.81 divided by 365 if customized for adapted transport, based on the resident with the highest assessed need. The commissioner shall update the amounts in this clause as specified in subdivision 5b;

(11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing and individual direct staffing hours provided through monitoring technology that was excluded in clause (8);

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment rate; and

(14) adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

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

Sec. 35. Minnesota Statutes 2024, section 256B.4914, subdivision 6c, is amended to read:

Subd. 6c. **Integrated community supports; component values and calculation of payment rates.** (a) Component values for integrated community supports are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 13.25 percent;

(6) program-related expense ratio: 1.3 percent; and

(7) absence and utilization factor ratio: 3.9 percent.

(b) Payments for integrated community supports must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided by the number of people receiving support in the integrated community support setting, and the individual direct staffing hours must be the average number of direct support hours provided directly to the service recipient;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6) and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost by one plus the employee-related cost ratio;

(9) for client programming and supports, add $2,260.21 divided by 365. The commissioner shall update the amount in this clause as specified in subdivision 5b;

(10) add the results of clauses (8) and (9);

(11) add the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount; and

(13) adjust the result of clause (12) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

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

Sec. 36. Minnesota Statutes 2024, section 256B.4914, subdivision 7a, is amended to read:

Subd. 7a. **Adult day services; component values and calculation of payment rates.** (a) Component values for adult day services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 5.6 percent;

(6) client programming and support ratio: 7.4 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 1.8 percent; and

(9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.

(b) A unit of service for adult day services is either a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct service.

(c) Payments for adult day services must be calculated as follows:

(1) determine the number of units of service and the staffing ratio to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add $19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) for adult day bath services, add $7.01 per 15 minute unit;

(13) this is the subtotal rate;

(14) sum the standard general administrative rate support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(15) divide the result of clause (13) by one minus the result of clause (14). This is the total payment amount; and

(16) adjust the result of clause (15) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. The amendments to paragraph (a), clause (1), are effective the day following final enactment. The amendment to paragraph (a), clause (9), is effective January 1, 2026.

Sec. 37. Minnesota Statutes 2024, section 256B.4914, subdivision 7b, is amended to read:

Subd. 7b. **Day support services; component values and calculation of payment rates.** (a) Component values for day support services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 5.6 percent;

(6) client programming and support ratio: 10.37 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 1.8 percent; and

(9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.

(b) A unit of service for day support services is 15 minutes.

(c) Payments for day support services must be calculated as follows:

(1) determine the number of units of service and the staffing ratio to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add $19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) this is the subtotal rate;

(13) sum the standard general administrative rate support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(14) divide the result of clause (12) by one minus the result of clause (13). This is the total payment amount; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. The amendments to paragraph (a), clause (1), are effective the day following final enactment. The amendment to paragraph (a), clause (9), is effective January 1, 2026.

Sec. 38. Minnesota Statutes 2024, section 256B.4914, subdivision 7c, is amended to read:

Subd. 7c. **Prevocational services; component values and calculation of payment rates.** (a) Component values for prevocational services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 5.6 percent;

(6) client programming and support ratio: 10.37 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 1.8 percent; and

(9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.

(b) A unit of service for prevocational services is either a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct service.

(c) Payments for prevocational services must be calculated as follows:

(1) determine the number of units of service and the staffing ratio to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add $19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) this is the subtotal rate;

(13) sum the standard general administrative rate support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(14) divide the result of clause (12) by one minus the result of clause (13). This is the total payment amount; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. The amendments to paragraph (a), clause (1), are effective the day following final enactment. The amendment to paragraph (a), clause (9), is effective January 1, 2026.

Sec. 39. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 15.5 percent;

(6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 6.1 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six;

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed three; and

(iv) for night supervision, divide by the number of service recipients, not to exceed two; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

(e) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must bill individualized home supports with training and individualized home supports with family training at a maximum of eight hours per day.

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

Sec. 40. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

Subd. 9. **Unit-based services without programming; component values and calculation of payment rates.** (a) For the purposes of this section, unit-based services without programming include individualized home supports without training and night supervision provided to an individual outside of any service plan for a day program or residential support service. Unit-based services without programming do not include respite. This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, for the purposes of this section, unit-based services without programming include individualized home supports without training, awake night supervision, and asleep night supervision provided to an individual outside of any service plan for a day program or residential support service.

~~(b)~~ (c) Component values for unit-based services without programming are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent. This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 7.0 percent;

(6) client programming and support ratio: 2.3 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 2.9 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

~~(c)~~ (d) A unit of service for unit-based services without programming is 15 minutes.

~~(d)~~ (e) Payments for unit-based services without programming must be calculated as follows unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 to 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for individualized home supports without training provided in a shared manner, divide the total payment amount in clause (13) by the number of service recipients, not to exceed three; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

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

Sec. 41. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision to read:

Subd. 14a. **Limitations on rate exceptions for residential services.** (a) Effective July 1, 2026, the commissioner must implement limitations on the size and number of rate exceptions for community residential services, customized living services, family residential services, and integrated community supports.

(b) The commissioner must restrict rate exceptions to the absence and utilization factor ratio to people temporarily receiving hospital or crisis respite services.

(c) For rate exceptions related to behavioral needs, the commissioner must include:

(1) a documented behavioral diagnosis; or

(2) determined assessed needs for behavioral supports as identified in the person's most recent assessment.

(d) Community residential services rate exceptions must not include positive supports costs.

(e) The commissioner must not approve rate exception requests related to increased community time or transportation.

(f) For the commissioner to approve a rate exception annual renewal, the person's most recent assessment must indicate continued extraordinary needs in the areas cited in the exception request. If a person's assessment continues to identify these extraordinary needs, lead agencies requesting an annual renewal of rate exceptions must submit the following provider-created documentation supporting the continuation of the exception:

(1) the pay scale for staff working in the setting in which the person lives; and

(2) a description of other costs the provider incurred as a result of the additional revenue the rate exception provided.

(g) The commissioner must not increase rate exception annual renewals that request an exception to direct care or supervision wages more than the most recently implemented base wage index determined under subdivision 5.

(h) The commissioner must publish online an annual report detailing the impact of the limitations under this subdivision on home and community-based services spending, including but not limited to:

(1) the number and percentage of rate exceptions granted and denied;

(2) total spending on community residential setting services and rate exceptions;

(3) trends in the percentage of spending attributable to rate exceptions; and

(4) an evaluation of the effectiveness of the limitations in controlling spending growth.

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

Sec. 42. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision to read:

Subd. 20. **Sanctions and monetary recovery.** Payments under this section are subject to the sanctions and monetary recovery requirements under section 256B.064.

Sec. 43. Minnesota Statutes 2024, section 256B.85, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section and section 256B.851, the terms defined in this subdivision have the meanings given.

(b) "Activities of daily living" or "ADLs" means:

(1) dressing, including assistance with choosing, applying, and changing clothing and applying special appliances, wraps, or clothing;

(2) grooming, including assistance with basic hair care, oral care, shaving, applying cosmetics and deodorant, and care of eyeglasses and hearing aids. Grooming includes nail care, except for recipients who are diabetic or have poor circulation;

(3) bathing, including assistance with basic personal hygiene and skin care;

(4) eating, including assistance with hand washing and applying orthotics required for eating or feeding;

(5) transfers, including assistance with transferring the participant from one seating or reclining area to another;

(6) mobility, including assistance with ambulation and use of a wheelchair. Mobility does not include providing transportation for a participant;

(7) positioning, including assistance with positioning or turning a participant for necessary care and comfort; and

(8) toileting, including assistance with bowel or bladder elimination and care, transfers, mobility, positioning, feminine hygiene, use of toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and adjusting clothing.

(c) "Agency-provider model" means a method of CFSS under which a qualified agency provides services and supports through the agency's own employees and policies. The agency must allow the participant to have a significant role in the selection and dismissal of support workers of their choice for the delivery of their specific services and supports.

(d) "Behavior" means a description of a need for services and supports used to determine the home care rating and additional service units. The presence of Level I behavior is used to determine the home care rating.

(e) "Budget model" means a service delivery method of CFSS that allows the use of a service budget and assistance from a financial management services (FMS) provider for a participant to directly employ support workers and purchase supports and goods.

(f) "Complex health-related needs" means an intervention listed in clauses (1) to (8) that has been ordered by a physician, advanced practice registered nurse, or physician's assistant and is specified in an assessment summary, including:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

(iii) requiring sterile or clean dressing changes or a wound vac; or

(iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

(i) IV therapy more than two times per week lasting longer than four hours for each treatment; or

(ii) total parenteral nutrition (TPN) daily;

(4) respiratory interventions, including:

(i) oxygen required more than eight hours per day;

(ii) respiratory vest more than one time per day;

(iii) bronchial drainage treatments more than two times per day;

(iv) sterile or clean suctioning more than six times per day;

(v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and

(vi) ventilator dependence under section 256B.0651;

(5) insertion and maintenance of catheter, including:

(i) sterile catheter changes more than one time per month;

(ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or

(iii) bladder irrigations;

(6) bowel program more than two times per week requiring more than 30 minutes to perform each time;

(7) neurological intervention, including:

(i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or

(ii) swallowing disorders diagnosed by a physician, advanced practice registered nurse, or physician's assistant and requiring specialized assistance from another on a daily basis; and

(8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.

(g) "Community first services and supports" or "CFSS" means the assistance and supports program under this section needed for accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task, or the purchase of goods as defined in subdivision 7, clause (3), that replace the need for human assistance.

(h) "Community first services and supports service delivery plan" or "CFSS service delivery plan" means a written document detailing the services and supports chosen by the participant to meet assessed needs that are within the approved CFSS service authorization, as determined in subdivision 8. Services and supports are based on the support plan identified in sections 256B.092, subdivision 1b, and 256S.10.

(i) "Consultation services" means ~~a Minnesota health care program enrolled provider organization that provides assistance to the~~ assisting a participant in making informed choices about CFSS services in general and self-directed tasks in particular, and in developing a person-centered CFSS service delivery plan to achieve quality service outcomes.

(j) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(k) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child must not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(l) "Extended CFSS" means CFSS services and supports provided under CFSS that are included in the CFSS service delivery plan through one of the home and community-based services waivers and as approved and authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants. Extended CFSS excludes the purchase of goods.

(m) "Financial management services provider" or "FMS provider" means a qualified organization required for participants using the budget model under subdivision 13 that is an enrolled provider with the department to provide vendor fiscal/employer agent financial management services (FMS).

(n) "Health-related procedures and tasks" means procedures and tasks related to the specific assessed health needs of a participant that can be taught or assigned by a state-licensed health care or mental health professional and performed by a support worker.

(o) "Instrumental activities of daily living" means activities related to living independently in the community, including but not limited to: meal planning, preparation, and cooking; shopping for food, clothing, or other essential items; laundry; housecleaning; assistance with medications; managing finances; communicating needs and preferences during activities; arranging supports; and assistance with traveling around and participating in the community, including traveling to medical appointments. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the individual CFSS service delivery plan.

(p) "Lead agency" has the meaning given in section 256B.0911, subdivision 10.

(q) "Legal representative" means parent of a minor, a court-appointed guardian, or another representative with legal authority to make decisions about services and supports for the participant. Other representatives with legal authority to make decisions include but are not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(r) "Level I behavior" means physical aggression toward self or others or destruction of property that requires the immediate response of another person.

(s) "Medication assistance" means providing verbal or visual reminders to take regularly scheduled medication, and includes any of the following supports listed in clauses (1) to (3) and other types of assistance, except that a support worker must not determine medication dose or time for medication or inject medications into veins, muscles, or skin:

(1) under the direction of the participant or the participant's representative, bringing medications to the participant including medications given through a nebulizer, opening a container of previously set-up medications, emptying the container into the participant's hand, opening and giving the

medication in the original container to the participant, or bringing to the participant liquids or food to accompany the medication;

(2) organizing medications as directed by the participant or the participant's representative; and

(3) providing verbal or visual reminders to perform regularly scheduled medications.

(t) "Participant" means a person who is eligible for CFSS.

(u) "Participant's representative" means a parent, family member, advocate, or other adult authorized by the participant or participant's legal representative, if any, to serve as a representative in connection with the provision of CFSS. If the participant is unable to assist in the selection of a participant's representative, the legal representative shall appoint one.

(v) "Person-centered planning process" means a process that is directed by the participant to plan for CFSS services and supports.

(w) "Service budget" means the authorized dollar amount used for the budget model or for the purchase of goods.

(x) "Shared services" means the provision of CFSS services by the same CFSS support worker to two or three participants who voluntarily enter into a written agreement to receive services at the same time, in the same setting, and through the same agency-provider or FMS provider.

(y) "Support worker" means a qualified and trained employee of the agency-provider as required by subdivision 11b or of the participant employer under the budget model as required by subdivision 14 who has direct contact with the participant and provides services as specified within the participant's CFSS service delivery plan.

(z) "Unit" means the increment of service based on hours or minutes identified in the service agreement.

(aa) "Vendor fiscal employer agent" means an agency that provides financial management services.

(bb) "Wages and benefits" means the hourly wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or other forms of employee compensation and benefits.

(cc) "Worker training and development" means services provided according to subdivision 18a for developing workers' skills as required by the participant's individual CFSS service delivery plan that are arranged for or provided by the agency-provider or purchased by the participant employer. These services include training, education, direct observation and supervision, and evaluation and coaching of job skills and tasks, including supervision of health-related tasks or behavioral supports.

Sec. 44. Minnesota Statutes 2024, section 256B.85, subdivision 5, is amended to read:

Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

(1) be conducted by a certified assessor according to the criteria established in section 256B.0911, subdivisions 17 to 21, 23, 24, and 29 to 31;

(2) be conducted face-to-face, initially and at least annually thereafter, or when there is a significant change in the participant's condition or a change in the need for services and supports, or at the request of the participant when the participant experiences a change in condition or needs a change in the services or supports; and

(3) be completed using the format established by the commissioner.

(b) The results of the assessment and any recommendations and authorizations for CFSS must be determined and communicated in writing by the lead agency's assessor as defined in section 256B.0911 to the participant or the participant's representative and chosen CFSS providers within ten business days and must include the participant's right to appeal the assessment under section 256.045, subdivision 3.

~~(c) The lead agency assessor may authorize a temporary authorization for CFSS services to be provided under the agency-provider model. The lead agency assessor may authorize a temporary authorization for CFSS services to be provided under the agency-provider model without using the assessment process described in this subdivision. Authorization for a temporary level of CFSS services under the agency-provider model is limited to the time specified by the commissioner, but shall not exceed 45 days. The level of services authorized under this paragraph shall have no bearing on a future authorization. For CFSS services needed beyond the 45-day temporary authorization, the lead agency must conduct an assessment as described in this subdivision and participants must use consultation services to complete their orientation and selection of a service model.~~

Sec. 45. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 5a. **Temporary authorization without assessment.** The lead agency assessor may authorize a temporary authorization for CFSS services to be provided under the agency-provider model. The lead agency assessor may authorize a temporary authorization for CFSS services to be provided under the agency-provider model without using the assessment process described in subdivision 5. Authorization for a temporary level of CFSS services under the agency-provider model is limited to the time specified by the commissioner, but shall not exceed 45 days. The level of services authorized under this subdivision shall have no bearing on a future authorization. For CFSS services needed beyond the 45-day temporary authorization, the lead agency must conduct an assessment as described in subdivision 5.

Sec. 46. Minnesota Statutes 2024, section 256B.85, subdivision 6, is amended to read:

Subd. 6. **Community first services and supports service delivery plan.** (a) The CFSS service delivery plan must be developed and evaluated through a person-centered planning process by the participant, or the participant's representative or legal representative who may be assisted by a consultation services provider. The CFSS service delivery plan must reflect the services and supports that are important to the participant and for the participant to meet the needs assessed by the certified assessor and identified in the support plan identified in sections 256B.092, subdivision 1b, and 256S.10. ~~The CFSS service delivery plan must be reviewed by the participant, the consultation services provider, and the agency-provider or FMS provider prior to starting services and at least~~

~~annually upon reassessment, or when there is a significant change in the participant's condition, or a change in the need for services and supports.~~

(b) The commissioner shall establish the format and criteria for the CFSS service delivery plan.

(c) The CFSS service delivery plan must be person-centered and:

(1) specify the consultation services provider~~,~~ selected by the participant, if any, and either the agency-provider~~,~~ or FMS provider selected by the participant;

(2) reflect the setting in which the participant resides that is chosen by the participant;

(3) reflect the participant's strengths and preferences;

(4) include the methods and supports used to address the needs as identified through an assessment of functional needs;

(5) include the participant's identified goals and desired outcomes;

(6) reflect the services and supports, paid and unpaid, that will assist the participant to achieve identified goals, including the costs of the services and supports, and the providers of those services and supports, including natural supports;

(7) identify the amount and frequency of face-to-face supports and amount and frequency of remote supports and technology that will be used;

(8) identify risk factors and measures in place to minimize them, including individualized backup plans;

(9) be understandable to the participant and the individuals providing support;

(10) identify the individual or entity responsible for monitoring the plan;

(11) be finalized and agreed to in writing by the participant and signed by individuals and providers responsible for its implementation;

(12) be distributed to the participant and other people involved in the plan;

(13) prevent the provision of unnecessary or inappropriate care;

(14) include a detailed budget for expenditures for budget model participants or participants under the agency-provider model if purchasing goods; and

(15) include a plan for worker training and development provided according to subdivision 18a detailing what service components will be used, when the service components will be used, how they will be provided, and how these service components relate to the participant's individual needs and CFSS support worker services.

(d) The CFSS service delivery plan must describe the units or dollar amount available to the participant. The total units of agency-provider services or the service budget amount for the budget model include both annual totals and a monthly average amount that cover the number of months

of the service agreement. The amount used each month may vary, but additional funds must not be provided above the annual service authorization amount, determined according to subdivision 8, unless a change in condition is assessed and authorized by the certified assessor and documented in the support plan and CFSS service delivery plan.

(e) ~~In~~ If assisting with the development or modification of the CFSS service delivery plan during the authorization time period, the consultation services provider shall:

(1) consult with the FMS provider on the spending budget when applicable; and

(2) consult with the participant or participant's representative, agency-provider, and case manager or care coordinator.

(f) Prior to starting services and at least annually upon reassessment, or when there is a significant change in the participant's condition or a change in the need for services and supports, the CFSS service delivery plan must be reviewed by the participant; by the consultation services provider, unless the participant has selected the agency-provider model without optional consultation services; and by either the agency-provider or FMS provider.

(g) The CFSS service delivery plan must be approved by the lead agency for participants without a case manager or care coordinator who is responsible for authorizing services. A case manager or care coordinator must approve the plan for a waiver or alternative care program participant.

Sec. 47. Minnesota Statutes 2024, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan; and

(ii) increase independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

(6) swimming lessons for a participant whose disability puts the participant at a higher risk of drowning according to the Centers for Disease Control Vital Statistics System;

~~(6)~~ (7) services described under subdivision 17 provided by a consultation services provider ~~as defined under subdivision 17, that is under contract with the department and enrolled as a Minnesota health care program provider~~ meeting the requirements of subdivision 17a;

~~(7)~~ (8) services provided by an FMS provider as defined under subdivision 13a, that is an enrolled provider with the department;

~~(8)~~ (9) CFSS services provided by a support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. Covered services under this clause are subject to the limitations described in subdivision 7b; and

~~(9)~~ (10) worker training and development services as described in subdivision 18a.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 48. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day when provided by a support worker who meets the requirements of subdivision 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day when provided by a support worker who meets the requirements of subdivision 16, paragraph (e). This paragraph expires upon the effective date of paragraph (c).

(c) Effective January 1, 2027, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day.

~~(b)~~ (d) An agency provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the support workers, including any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums. The agency provider must not use the additional revenue attributable to any enhanced rate under this subdivision to pay for mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or any other employee benefits.

~~(c)~~ (e) Any change in the eligibility criteria for the enhanced rate for CFSS as described in this subdivision and referenced in subdivision 16, paragraph (e), does not constitute a change in a term or condition for individual providers as defined in section 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

Sec. 49. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service authorization amount.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the participant's home care rating described in paragraphs (d) and (e) and any additional service units for which the participant qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a participant:

(1) the total number of dependencies of activities of daily living;

(2) the presence of complex health-related needs; and

(3) the presence of Level I behavior.

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

(e) Each home care rating is designated by the letters P through Z and EN and has the following base number of service units assigned:

(1) P home care rating requires Level I behavior or one to three dependencies in ADLs and qualifies the person for five service units;

(2) Q home care rating requires Level I behavior and one to three dependencies in ADLs and qualifies the person for six service units;

(3) R home care rating requires a complex health-related need and one to three dependencies in ADLs and qualifies the person for seven service units;

(4) S home care rating requires four to six dependencies in ADLs and qualifies the person for ten service units;

(5) T home care rating requires four to six dependencies in ADLs and Level I behavior and qualifies the person for 11 service units;

(6) U home care rating requires four to six dependencies in ADLs and a complex health-related need and qualifies the person for 14 service units;

(7) V home care rating requires seven to eight dependencies in ADLs and qualifies the person for 17 service units;

(8) W home care rating requires seven to eight dependencies in ADLs and Level I behavior and qualifies the person for 20 service units;

(9) Z home care rating requires seven to eight dependencies in ADLs and a complex health-related need and qualifies the person for 30 service units; and

(10) EN home care rating includes ventilator dependency as defined in section 256B.0651, subdivision 1, paragraph (g). A person who meets the definition of ventilator-dependent and the EN home care rating and utilize a combination of CFSS and home care nursing services is limited to a total of 96 service units per day for those services in combination. Additional units may be authorized when a person's assessment indicates a need for two staff to perform activities. Additional time is limited to 16 service units per day.

(f) Additional service units are provided through the assessment and identification of the following:

(1) 30 additional minutes per day for a dependency in each critical activity of daily living;

(2) 30 additional minutes per day for each complex health-related need; and

(3) 30 additional minutes per day for each behavior under this clause that requires assistance at least four times per week:

(i) level I behavior that requires the immediate response of another person;

(ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(iii) increased need for assistance for participants who are verbally aggressive or resistive to care so that the time needed to perform activities of daily living is increased.

(g) The service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating; and

(2) an adjustment needed for administrative expenses. This paragraph expires upon the effective date of paragraph (h).

(h) Effective January 1, 2026, or upon federal approval, whichever is later, the service budget for budget model participants shall be based on:

(1) assessed units as determined by the home care rating and the payment methodologies under section 256B.851; and

(2) an adjustment needed for administrative expenses.

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

Sec. 50. Minnesota Statutes 2024, section 256B.85, subdivision 8a, is amended to read:

Subd. 8a. **Authorization; exceptions.** All CFSS services must be authorized by the commissioner or the commissioner's designee as described in subdivision 8 except when:

(1) the lead agency temporarily authorizes services in the agency-provider model as described in subdivision ~~5, paragraph (c)~~ 5a;

(2) CFSS services in the agency-provider model were required to treat an emergency medical condition that if not immediately treated could cause a participant serious physical or mental disability, continuation of severe pain, or death. The CFSS agency provider must request retroactive authorization from the lead agency no later than five working days after providing the initial emergency service. The CFSS agency provider must be able to substantiate the emergency through documentation such as reports, notes, and admission or discharge histories. A lead agency must follow the authorization process in subdivision 5 after the lead agency receives the request for authorization from the agency provider;

(3) the lead agency authorizes a temporary increase to the amount of services authorized in the agency or budget model to accommodate the participant's temporary higher need for services. Authorization for a temporary level of CFSS services is limited to the time specified by the commissioner, but shall not exceed 45 days. The level of services authorized under this clause shall have no bearing on a future authorization;

(4) a participant's medical assistance eligibility has lapsed, is then retroactively reinstated, and an authorization for CFSS services is completed based on the date of a current assessment, eligibility, and request for authorization;

(5) a third-party payer for CFSS services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request;

(6) the commissioner has determined that a lead agency or state human services agency has made an error; or

(7) a participant enrolled in managed care experiences a temporary disenrollment from a health plan, in which case the commissioner shall accept the current health plan authorization for CFSS services for up to 60 days. The request must be received within the first 30 days of the disenrollment. If the recipient's reenrollment in managed care is after the 60 days and before 90 days, the provider shall request an additional 30-day extension of the current health plan authorization, for a total limit of 90 days from the time of disenrollment.

Sec. 51. Minnesota Statutes 2024, section 256B.85, subdivision 11, is amended to read:

Subd. 11. **Agency-provider model.** (a) The agency-provider model includes services provided by support workers and staff providing worker training and development services who are employed by an agency-provider that meets the criteria established by the commissioner, including required training.

(b) The agency-provider shall allow the participant to have a significant role in the selection and dismissal of the support workers for the delivery of the services and supports specified in the participant's CFSS service delivery plan. The agency must make a reasonable effort to fulfill the participant's request for the participant's preferred support worker.

(c) A participant may use authorized units of CFSS services as needed within a service agreement that is not greater than 12 months. Using authorized units in a flexible manner in either the agency-provider model or the budget model does not increase the total amount of services and supports authorized for a participant or included in the participant's CFSS service delivery plan.

(d) A participant may share CFSS services. Two or three CFSS participants may share services at the same time provided by the same support worker.

(e) The agency-provider must use a minimum of 72.5 percent of the revenue generated by the medical assistance payment for CFSS for support worker wages and benefits, except all of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The agency-provider must document how this requirement is being met. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services must not be used in making this calculation.

(f) The agency-provider model must be used by participants who are restricted by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

(g) Participants purchasing goods under ~~this~~ the agency-provider model, along with support worker services, must:

(1) specify the goods in the CFSS service delivery plan and detailed budget for expenditures that must be approved by the lead agency, case manager, or care coordinator; and

(2) use the FMS provider for the billing and payment of such goods.

(h) The agency provider is responsible for ensuring that any worker driving a participant under subdivision 2, paragraph (o), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(i) The use of consultation services under the agency-provider model is optional. A participant may select the agency-provider model without using consultation services to make the selection, to complete orientation to CFSS, or to select the agency-provider model.

(j) If a participant selects the agency-provider model without optional consultation services, the agency-provider must provide an initial and annual orientation to CFSS information and policies and a copy of the participant protections under subdivision 20 at the start of services.

Sec. 52. Minnesota Statutes 2024, section 256B.85, subdivision 13, is amended to read:

Subd. 13. **Budget model.** (a) Under the budget model participants exercise responsibility and control over the services and supports described and budgeted within the CFSS service delivery plan. Participants must use consultation services specified in subdivision 17 and services specified in subdivision 13a provided by an FMS provider. Under this model, participants may use their approved service budget allocation to:

(1) directly employ support workers, and pay wages, federal and state payroll taxes, and premiums for workers' compensation, liability, family and medical benefit insurance, and health insurance coverage; and

(2) obtain supports and goods as defined in subdivision 7.

(b) Participants who are unable to fulfill any of the functions listed in paragraph (a) may authorize a legal representative or participant's representative to do so on their behalf.

(c) If two or more participants using the budget model live in the same household and have the same support worker, the participants must use the same FMS provider.

(d) If the FMS provider advises that there is a joint employer in the budget model, all participants associated with that joint employer must use the same FMS provider.

(e) The commissioner shall disenroll or exclude participants from the budget model and transfer them to the agency-provider model under, but not limited to, the following circumstances:

(1) when a participant has been restricted by the Minnesota restricted recipient program, in which case the participant may be excluded for a specified time period under Minnesota Rules, parts 9505.2160 to 9505.2245;

(2) when a participant exits the budget model during the participant's service plan year. Upon transfer, the participant shall not access the budget model for the remainder of that service plan year; or

(3) when the department determines that the participant or participant's representative or legal representative is unable to fulfill the responsibilities under the budget model, as specified in subdivision 14.

(f) A participant may appeal in writing to the department under section 256.045, subdivision 3, to contest the department's decision under paragraph (e), clause (3), to disenroll or exclude the participant from the budget model.

Sec. 53. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

Subd. 16. **Support workers requirements.** (a) Support workers shall:

(1) enroll with the department as a support worker after a background study under chapter 245C has been completed and the support worker has received a notice from the commissioner that the support worker:

(i) is not disqualified under section 245C.14; or

(ii) is disqualified, but has received a set-aside of the disqualification under section 245C.22;

(2) have the ability to effectively communicate with the participant or the participant's representative;

(3) have the skills and ability to provide the services and supports according to the participant's CFSS service delivery plan and respond appropriately to the participant's needs;

(4) complete the basic standardized CFSS training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. CFSS support worker training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of support workers including information about basic body mechanics, emergency preparedness, orientation to positive behavioral practices, orientation to responding to a mental health crisis, fraud issues, time cards and documentation, and

an overview of person-centered planning and self-direction. Upon completion of the training components, the support worker must pass the certification test to provide assistance to participants;

(5) complete employer-directed training and orientation on the participant's individual needs;

(6) maintain the privacy and confidentiality of the participant; and

(7) not independently determine the medication dose or time for medications for the participant.

(b) The commissioner may deny or terminate a support worker's provider enrollment and provider number if the support worker:

(1) does not meet the requirements in paragraph (a);

(2) fails to provide the authorized services required by the employer;

(3) has been intoxicated by alcohol or drugs while providing authorized services to the participant or while in the participant's home;

(4) has manufactured or distributed drugs while providing authorized services to the participant or while in the participant's home; or

(5) has been excluded as a provider by the commissioner of human services, or by the United States Department of Health and Human Services, Office of Inspector General, from participation in Medicaid, Medicare, or any other federal health care program.

(c) A support worker may appeal in writing to the commissioner to contest the decision to terminate the support worker's provider enrollment and provider number.

(d) A support worker must not provide or be paid for more than 310 hours of CFSS per month, regardless of the number of participants the support worker serves or the number of agency-providers or participant employers by which the support worker is employed. The department shall not disallow the number of hours per day a support worker works unless it violates other law.

(e) CFSS qualify for an enhanced rate or budget if the support worker providing the services:

(1) provides services, within the scope of CFSS described in subdivision 7, to a participant who qualifies for ten or more hours per day of CFSS; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements. This paragraph expires December 31, 2026.

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

Sec. 54. Minnesota Statutes 2024, section 256B.85, subdivision 17, is amended to read:

Subd. 17. **Consultation services ~~duties.~~** Consultation services are a required service for the budget model and an optional service for the agency-provider model. Consultation services ~~is a required service that includes~~ include:

(1) entering into a written agreement with the participant, participant's representative, or legal representative that includes but is not limited to the details of services, service delivery methods, dates of services, and contact information;

(2) providing an initial and annual orientation to CFSS information and policies, including selecting a service model;

(3) assisting with accessing FMS providers or agency-providers;

(4) providing assistance with the development, implementation, management, documentation, and evaluation of the person-centered CFSS service delivery plan;

(5) maintaining documentation of the approved CFSS service delivery plan;

(6) distributing copies of the final CFSS service delivery plan to the participant and to the agency-provider or FMS provider, case manager or care coordinator, and other designated parties;

(7) assisting to fulfill responsibilities and requirements of CFSS, including modifying CFSS service delivery plans and changing service models;

(8) if requested, providing consultation on recruiting, selecting, training, managing, directing, supervising, and evaluating support workers;

(9) evaluating services upon receiving information from an FMS provider indicating spending or participant employer concerns;

(10) reviewing the use of and access to informal and community supports, goods, or resources;

(11) a semiannual review of services if the participant does not have a case manager or care coordinator and when the support worker is a paid parent of a minor participant or the participant's spouse;

(12) collecting and reporting of data as required by the department;

(13) providing the participant with a copy of the participant protections under subdivision 20 at the start of consultation services;

(14) providing assistance to resolve issues of noncompliance with the requirements of CFSS;

(15) providing recommendations to the commissioner for changes to services when support to participants to resolve issues of noncompliance have been unsuccessful; and

(16) other duties as assigned by the commissioner.

Sec. 55. Minnesota Statutes 2024, section 256B.85, subdivision 17a, is amended to read:

Subd. 17a. **Consultation services provider qualifications and requirements.** Consultation services providers must meet the following qualifications and requirements:

(1) meet the requirements under subdivision 10, paragraph (a), excluding clauses (4) and (5);

(2) ~~are~~ be under contract with the department and enrolled as a Minnesota health care program provider;

(3) ~~are not~~ not be the FMS provider, the lead agency, or the CFSS or home and community-based services waiver vendor or agency-provider to the participant;

(4) meet the service standards as established by the commissioner;

(5) have proof of surety bond coverage. Upon new enrollment, or if the consultation service provider's Medicaid revenue in the previous calendar year is less than or equal to $300,000, the consultation service provider must purchase a surety bond of $50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than $300,000, the consultation service provider must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;

(6) employ lead professional staff with a minimum of two years of experience in providing services such as support planning, support broker, case management or care coordination, or consultation services and consumer education to participants using a self-directed program using FMS under medical assistance;

(7) report maltreatment as required under chapter 260E and section 626.557;

(8) comply with medical assistance provider requirements;

(9) understand the CFSS program and its policies;

(10) ~~are~~ be knowledgeable about self-directed principles and the application of the person-centered planning process;

(11) have general knowledge of the FMS provider duties and the vendor fiscal/employer agent model, including all applicable federal, state, and local laws and regulations regarding tax, labor, employment, and liability and workers' compensation coverage for household workers; and

(12) have all employees, including lead professional staff, staff in management and supervisory positions, and owners of the agency who are active in the day-to-day management and operations of the agency, complete training as specified in the contract with the department.

Sec. 56. Minnesota Statutes 2024, section 256B.85, subdivision 20, is amended to read:

Subd. 20. **Participant protections.** (a) All CFSS participants have the protections identified in this subdivision.

(b) Participants or ~~participant's~~ participants' representatives must be provided with adequate information, counseling, training, and assistance, as needed, to ensure that the participant is able to

choose and manage services, models, and budgets. For budget model participants and participants who selected the agency-provider model with optional consultation services, this information must be provided by the consultation services provider at the time of the initial or annual orientation to CFSS, at the time of reassessment, or when requested by the participant or participant's representative. For participants who selected the agency-provider model without optional consultation services, this information must be provided by the agency-provider at the time of the initial or annual orientation to CFSS, at the time of reassessment, or when requested by the participant or participant's representative. This information must explain:

(1) person-centered planning;

(2) the range and scope of participant choices, including the differences between the agency-provider model and the budget model, available CFSS providers, and other services available in the community to meet the participant's needs;

(3) the process for changing plans, services, and budgets;

(4) identifying and assessing appropriate services; and

(5) risks to and responsibilities of the participant under the budget model.

(c) The consultation services provider or agency-provider, as applicable, must ensure that the participant chooses freely between the agency-provider model and the budget model and among available agency-providers and that the participant may change agency-providers after services have begun.

(d) A participant who appeals a reduction in previously authorized CFSS services may continue previously authorized services pending an appeal in accordance with section 256.045.

(e) If the units of service or budget allocation for CFSS are reduced, denied, or terminated, the commissioner must provide notice of the reasons for the reduction in the participant's notice of denial, termination, or reduction.

(f) If all or part of a CFSS service delivery plan is denied approval by the lead agency, the lead agency must provide a notice that describes the basis of the denial.

Sec. 57. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

Subd. 5. **Payment rates; component values.** (a) The commissioner must use the following component values:

(1) employee vacation, sick, and training factor, 8.71 percent;

(2) employer taxes and workers' compensation factor, 11.56 percent;

(3) employee benefits factor, 12.04 percent;

(4) client programming and supports factor, 2.30 percent;

(5) program plan support factor, 7.00 percent;

(6) general business and administrative expenses factor, 13.25 percent;

(7) program administration expenses factor, 2.90 percent; and

(8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 88.19 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19 percent; and

(3) qualified professional services and CFSS worker training and development: 88.19 percent.

(c) Effective January 1, 2025, for purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 92.08 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08 percent; and

(3) qualified professional services and CFSS worker training and development: 92.08 percent. This paragraph expires upon the effective date of subdivision 5a.

(d) The commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 2.17 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.36 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 7.35 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 10.81 percent. This paragraph expires upon the effective date of subdivision 5b.

(e) The commissioner shall define the appropriate worker retention component based on the total number of units billed for services rendered by the individual provider since July 1, 2017. The worker retention component must be determined by the commissioner for each individual provider and is not subject to appeal.

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

Sec. 58. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision to read:

Subd. 5a. **Payment rates; implementation factor.** Effective January 1, 2026, or upon federal approval, whichever is later, for purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 92.20 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20 percent; and

(3) qualified professional services and CFSS worker training and development: 92.20 percent.

Sec. 59. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision to read:

Subd. 5b. **Payment rates; worker retention component.** Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.05 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 6.24 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 9.23 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 12.69 percent.

Sec. 60. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision to read:

Subd. 5c. **Payment rates; enhanced worker retention component.** Effective January 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the commissioner shall use the following implementation components if a worker has completed either the orientation for individual providers offered through the Home Care Orientation Trust or an orientation defined and offered by the commissioner:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is 1.88 percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 5.92 percent;

(3) for workers who have provided between 2,001, and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 8.11 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 11.10 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 14.56 percent.

Sec. 61. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine the rate for personal care assistance services, CFSS, extended personal care assistance services, extended CFSS, enhanced rate personal care assistance services, enhanced rate CFSS, qualified professional services, and CFSS worker training and development as follows:

(1) multiply the appropriate total wage component value calculated in subdivision 4 by one plus the employee vacation, sick, and training factor in subdivision 5;

(2) for program plan support, multiply the result of clause (1) by one plus the program plan support factor in subdivision 5;

(3) for employee-related expenses, add the employer taxes and workers' compensation factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is employee-related expenses. Multiply the product of clause (2) by one plus the value for employee-related expenses;

(4) for client programming and supports, multiply the product of clause (3) by one plus the client programming and supports factor in subdivision 5;

(5) for administrative expenses, add the general business and administrative expenses factor in subdivision 5, the program administration expenses factor in subdivision 5, and the absence and utilization factor in subdivision 5;

(6) divide the result of clause (4) by one minus the result of clause (5). The quotient is the hourly rate;

(7) multiply the hourly rate by the appropriate implementation component under subdivision 5 or 5a. This is the adjusted hourly rate; and

(8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment rate.

(b) In processing personal care assistance provider agency and CFSS provider agency claims, the commissioner shall incorporate the applicable worker retention ~~component~~ components specified in subdivision 5, 5b, or 5c, by multiplying one plus the total adjusted payment rate by the appropriate worker retention component under subdivision 5, ~~paragraph (d)~~ 5b, or 5c.

(c) The commissioner must publish the total final payment rates.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 62. Minnesota Statutes 2024, section 256B.851, subdivision 7, is amended to read:

Subd. 7. **Treatment of rate adjustments provided outside of cost components.** Any rate adjustments applied to the service rates calculated under this section outside of the cost components and rate methodology specified in this section, including but not limited to those implemented to enable participant-employers and provider agencies to meet the terms and conditions of any collective bargaining agreement negotiated under chapter 179A, shall be applied as changes to the value of component values ~~or~~, implementation components, or worker retention components in ~~subdivision~~ subdivisions 5 to 5c.

Sec. 63. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision to read:

Subd. 7a. **Budget determinations.** The commissioner shall increase the authorized amount for the CFSS budget model of those CFSS participant-employers employing individual providers who have provided more than 1,000 hours of services and individual providers who have completed the orientation offered by the Home Care Orientation Trust or an orientation defined and offered by the commissioner. The commissioner shall determine the amount and method of the authorized amount increase.

Sec. 64. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency responsible for investigating allegations of maltreatment in child foster care, family child care, legally nonlicensed child care, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in juvenile correctional facilities listed under section 241.021 located in the local welfare agency's county and in facilities licensed or certified under chapters 245A and 245D.

(c) The Department of Health is the agency responsible for screening and investigating allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43 to 144A.482 or chapter 144H.

(d) The Department of Education is the agency responsible for screening and investigating allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E. The Department of Education's responsibility to screen and investigate includes allegations of maltreatment involving students 18 through 21 years of age, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma.

(e) The Department of Human Services is the agency responsible for screening and investigating allegations of maltreatment of minors in an EIDBI agency operating under sections 245A.142 and 256B.0949.

~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in facilities or programs not listed in paragraph (a) that are licensed or certified under chapters 142B and 142C.

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

Sec. 65. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services, including EIDBI agencies under sections 245A.142 and 256B.0949.

(c) The county social service agency or its designee is the lead investigative agency for all other reports, including, but not limited to, reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659.

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

Sec. 66. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

Sec. 73. **WAIVER REIMAGINE PHASE II.**

(a) Effective January 1, 2028, or upon federal approval, whichever is later, 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 must develop an individualized budget methodology exception to support access to self-directed home care nursing services. Lead agencies must submit budget exception requests to the commissioner in a manner identified by the commissioner. Eligibility for the budget exception in this paragraph is limited to persons meeting all of the following criteria in the person's most recent assessment:

(1) the person is assessed to need the level of care delivered in a hospital setting as evidenced by the submission of the Department of Human Services form 7096, primary medical provider's documentation of medical monitoring and treatment needs;

(2) the person is assessed to receive a support range budget of E or H; and

(3) the person does not receive community residential services, family residential services, integrated community supports services, or customized living services.

(d) Home care nursing services funded through the budget exception developed under paragraph (c) must be ordered by a physician, physician assistant, or advanced practice registered nurse. If the participant chooses home care nursing, the home care nursing services must be performed by a registered nurse or licensed practical nurse practicing within the registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no longer met, the commissioner must terminate the budget exception.

~~(c)~~ (e) The commissioner of human services may seek all federal authority necessary to implement this section.

~~(d)~~ (f) 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.

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

Sec. 67. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as amended by Laws 2024, chapter 108, article 1, section 28, 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 about the online support

planning tool prior to its implementation. The commissioner must implement the online support planning and tracking tool no later than January 1, 2027.

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

Sec. 68. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner of human services must increase the consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, by 0.13 percent.

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

Sec. 69. **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner of human services must increase the consumer-directed community supports budget exception percentage identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, from 7.5 to 12.5.

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

Sec. 70. **STIPEND PAYMENTS TO SEIU HEALTHCARE MINNESOTA & IOWA BARGAINING UNIT MEMBERS.**

(a) The commissioner of human services shall issue stipend payments to collective bargaining unit members as required by the labor agreement between the state of Minnesota and the Service Employees International Union (SEIU) Healthcare Minnesota & Iowa.

(b) The definitions in Minnesota Statutes, section 290.01, apply to this section.

(c) For the purposes of this section, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply to this section.

(d) The amount of stipend payments received by SEIU Healthcare Minnesota & Iowa collective bargaining unit members under this section is a subtraction.

(e) The amount of stipend payments received by SEIU Healthcare Minnesota & Iowa collective bargaining unit members under this section is excluded from income as defined in Minnesota Statutes, sections 290.0693, subdivision 1, paragraph (i), and 290A.03, subdivision 3.

(f) Notwithstanding any law to the contrary, stipend payments under this section must not be considered income, assets, or personal property for purposes of determining or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 142E;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) the Minnesota family investment program under Minnesota Statutes, chapter 142G; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(g) The commissioner of human services must not consider stipend payments under this section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under Minnesota Statutes, section 256B.057, subdivision 3, 3a, or 3b.

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

Sec. 71. **DIRECTION TO COMMISSIONER; COST REPORTING IMPROVEMENT AND DIRECT CARE STAFF REVIEW.**

(a) The commissioner of human services must consult with interested parties and make recommendations to the legislature to clarify provider cost reporting obligations to promote more uniform and meaningful data collection under Minnesota Statutes, section 256B.4914. By February 15, 2026, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance draft legislation required to implement the commissioner's recommendations.

(b) The commissioner of human services must consult with interested parties and, based on the results of the cost reporting completed for calendar year 2026, recommend what, if any, encumbrance of medical assistance reimbursement is appropriate to support direct care staff retention and the provision of quality services under Minnesota Statutes, section 256B.4914. By January 15, 2028, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance draft legislation required to implement the commissioner's recommendations.

Sec. 72. **COMMUNITY FIRST SERVICES AND SUPPORTS REIMBURSEMENT DURING ACUTE CARE HOSPITAL STAYS.**

(a) The commissioner of human services must seek to amend Minnesota's federally approved community first services and supports program, authorized under United States Code, title 42, sections 1915(i) and 1915(k), to reimburse for delivery of community first services and supports under Minnesota Statutes, sections 256B.85 and 256B.851, during an acute care stay in an acute care hospital setting that does not have the effect of isolating individuals receiving community first services and supports from the broader community of individuals not receiving community first services and supports, as permitted under Code of Federal Regulations, title 42, section 441.530.

(b) Reimbursed services must:

(1) be identified in an individual's person-centered support plan as required under Minnesota Statutes, section 256B.0911;

(2) be provided to meet the needs of the person that are not met through the provision of hospital services;

(3) not substitute services that the hospital is obligated to provide as required under state and federal law; and

(4) be designed to preserve the person's functional abilities during a hospital stay for acute care and to ensure smooth transitions between acute care settings and home and community-based settings.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 73. **POSITIVE SUPPORTS COMPETENCY PROGRAM.**

(a) The commissioner shall establish a positive supports competency program with the money appropriated for this purpose.

(b) When establishing the positive supports competency program, the commissioner must use a community-partner-driven process to:

(1) define the core activities associated with effective intervention services at the levels of positive support specialist, positive support analyst, and positive support professional;

(2) create tools providers may use to track whether their positive supports specialists, positive support analysts, and positive support professionals are competently performing the core activities associated with effective intervention services;

(3) align existing training systems funded through the Department of Human Services and develop free online modules for competency-based training to prepare positive support specialists, positive support analysts, and positive support professionals to provide effective intervention services;

(4) assist providers interested in utilizing a competency-based training model to create a career pathway for the positive support analysts and positive support specialists within their organizations by using experienced professionals;

(5) create written guidelines, stories, and examples for providers that will be placed on Department of Human Services websites promoting capacity building; and

(6) disseminate resources and guidance to providers interested in meeting competency-based qualifications for positive supports through existing regional networks of experts, including communities of practice, and develop new avenues for disseminating these resources and guidance, including through implementation of ECHO models.

Sec. 74. **DIRECTION TO COMMISSIONER; INTEGRATED COMMUNITY SUPPORTS CODIFICATION.**

(a) The commissioner of human services must develop draft language to codify in Minnesota Statutes the standards and requirements for integrated community supports as specified in the

federally approved brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans.

(b) When developing and drafting the proposed legislative language, the commissioner must consult with interested parties, including the Association of Residential Resources in Minnesota, the Residential Providers Association of Minnesota, the Minnesota Association of County Social Service Administrators, and people with disabilities currently or potentially receiving integrated community supports. The commissioner must ensure that the interested parties with whom the commissioner consults represent a broad spectrum of active and potential providers and service recipients. The commissioner's consultation with interested parties must be transparent and provide the opportunity for meaningful input from active and potential providers and service recipients.

(c) The commissioner must submit the draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 1, 2026.

Sec. 75. **DIRECTION TO COMMISSIONER; PROVISIONAL OR TRANSITIONAL APPROVAL OF INTEGRATED COMMUNITY SERVICES SETTINGS.**

(a) The commissioner of human services must develop draft language to improve the process for approving integrated community supports settings, including a process for issuing provisional or transitional licenses to allow applicants to obtain an initial approval to operate prior to securing control of the approved setting. This process must also allow applicants to change the approved setting during the application review period when needed to ensure an available setting.

(b) The commissioner must submit the draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 1, 2026.

Sec. 76. **DIRECTION TO COMMISSIONER; GUIDANCE TO COUNTIES.**

Upon receipt of approval from the Centers for Medicare and Medicaid Services, the commissioner of human services shall provide guidance to counties on the administration of the family support program under Minnesota Statutes, section 252.32; the consumer support program under Minnesota Statutes, section 256.476; disability waivers under Minnesota Statutes, sections 256B.092 and 256B.49; and the community first services and supports program under Minnesota Statutes, section 256B.85, to clarify that the cost of adaptive or one-on-one swimming lessons is an allowable use of money.

Sec. 77. **DIRECTION TO COMMISSIONER; SWIMMING LESSONS COVERED UNDER DISABILITY WAIVERS.**

The commissioner of human services shall include swimming lessons for a participant whose disability puts the participant at a higher risk of drowning as a covered service under the disability waivers, including the consumer-directed community supports option, under Minnesota Statutes, sections 256B.092 and 256B.49.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 78. **REPEALER.**

Subdivision 1. **Obsolete home and community-based services licensing provisions.** Minnesota Statutes 2024, section 245A.042, subdivisions 2, 3, and 4, are repealed.

Subd. 2. **Direct care provider premiums.** Laws 2023, chapter 59, article 3, section 11, is repealed.

Subd. 3. **Legislative Task Force on Guardianship.** Laws 2024, chapter 127, article 46, section 39, is repealed.

ARTICLE 3

SUBSTANCE USE DISORDER TREATMENT

Section 1. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified according to the commissioner's list of professionals under section 245G.07, subdivision 3, clause (1); and who works under the direct observation of an alcohol and drug counselor to present to clients on topics in which the guest speaker has expertise and that the license holder has determined to be beneficial to a client's recovery. Tribally licensed programs have autonomy to identify the qualifications of their guest speakers.

Sec. 2. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one setting or in a setting with the client and the client's family and other natural supports.

Sec. 3. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section 245G.07, subdivision 1a, clause (2).

Sec. 4. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means the services described in section 245G.07, subdivision 1a.

Sec. 5. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20h. **Recovery support services.** "Recovery support services" means the services described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

Sec. 6. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services described in section 245G.07, subdivision 1b.

Sec. 7. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 8. 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 training in addiction, co-occurring disorders, and substance use disorder diagnosis and treatment according to the requirements in section 245G.13, subdivision 2, paragraph (f);

(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 training in addiction, co-occurring disorders, and substance use disorder diagnosis and treatment according to the requirements in section 245G.13, subdivision 2, paragraph (f).

(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. 9. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the treatment services in subdivision 2 to each client, unless clinically inappropriate and the justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must ~~offer all treatment services in clauses (1) to (5) and~~ document in the individual treatment plan the specific services for which a client has an assessed need and the plan to provide the services~~:~~.

~~(1) individual and group counseling to help the client identify and address needs related to substance use and develop strategies to avoid harmful substance use after discharge and to help the client obtain the services necessary to establish a lifestyle free of the harmful effects of substance use disorder;~~

~~(2) client education strategies to avoid inappropriate substance use and health problems related to substance use and the necessary lifestyle changes to regain and maintain health. Client education must include information on tuberculosis education on a form approved by the commissioner, the human immunodeficiency virus according to section 245A.19, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

~~(3) a service to help the client integrate gains made during treatment into daily living and to reduce the client's reliance on a staff member for support;~~

~~(4) a service to address issues related to co-occurring disorders, including client education on symptoms of mental illness, the possibility of comorbidity, and the need for continued medication compliance while recovering from substance use disorder. A group must address co-occurring disorders, as needed. When treatment for mental health problems is indicated, the treatment must be integrated into the client's individual treatment plan; and~~

~~(5) treatment coordination provided one-to-one by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

~~(i) assistance in coordination with significant others to help in the treatment planning process whenever possible;~~

~~(ii) assistance in coordination with and follow up for medical services as identified in the treatment plan;~~

~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's medical provider, comprehensive assessment, or treatment plan;~~

~~(iv) facilitation of referrals to mental health services as identified by a client's comprehensive assessment or treatment plan;~~

~~(v) assistance with referrals to economic assistance, social services, housing resources, and prenatal care according to the client's needs;~~

~~(vi) life skills advocacy and support accessing treatment follow-up, disease management, and education services, including referral and linkages to long-term services and supports as needed; and~~

~~(vii) documentation of the provision of treatment coordination services in the client's file.~~

(b) A treatment service provided to a client must be provided according to the individual treatment plan and must consider cultural differences and special needs of a client.

(c) A supportive service alone does not constitute a treatment service. Supportive services include:

(1) milieu management or supervising or monitoring clients without also providing a treatment service identified in subdivision 1a, 1b, or 2a;

(2) transporting clients;

(3) waiting with clients for appointments at social service agencies, court hearings, and similar activities; and

(4) collecting urinalysis samples.

(d) A treatment service provided in a group setting must be provided in a cohesive manner and setting that allows every client receiving the service to interact and receive the same service at the same time.

Sec. 10. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be provided according to the hours identified in section 254B.19 for the ASAM level of care provided to the client. A license holder must provide the following psychosocial treatment services as a part of the client's individual treatment:

(1) counseling services that provide a client with professional assistance in managing substance use disorder and co-occurring conditions, either individually or in a group setting. Counseling must:

(i) use evidence-based techniques to help a client modify behavior, overcome obstacles, and achieve and sustain recovery through techniques such as active listening, guidance, discussion, feedback, and clarification;

(ii) help the client to identify and address needs related to substance use, develop strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects of substance use disorder; and

(iii) work to improve well-being and mental health, resolve or mitigate symptomatic behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and social skills, while addressing client-centered psychological and emotional needs; and

(2) psychoeducation services to provide a client with information about substance use and co-occurring conditions, either individually or in a group setting. Psychoeducation includes structured presentations, interactive discussions, and practical exercises to help clients understand and manage their conditions effectively. Topics include but are not limited to:

(i) the causes of substance use disorder and co-occurring disorders;

(ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

(iii) the importance of maintaining mental health, including understanding symptoms of mental illness;

(iv) medications for addiction and psychiatric disorders and the importance of medication adherence;

(v) the importance of maintaining physical health, health-related risk factors associated with substance use disorder, and specific health education on tuberculosis, HIV, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

(vi) harm-reduction strategies.

Sec. 11. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a single client by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

(1) coordinating directly with others involved in the client's treatment and recovery, including the referral source, family or natural supports, social services agencies, and external care providers;

(2) providing clients with training and facilitating connections to community resources that support recovery;

(3) assisting clients in obtaining necessary resources and services such as financial assistance, housing, food, clothing, medical care, education, harm reduction services, vocational support, and recreational services that promote recovery;

(4) helping clients connect and engage with self-help support groups and expand social support networks with family, friends, and organizations; and

(5) assisting clients in transitioning between levels of care, including providing direct connections to ensure continuity of care.

(b) Treatment coordination does not include coordinating services or communicating with staff members within the licensed program.

(c) Treatment coordination may be provided in a setting with the individual client and others involved in the client's treatment and recovery.

Sec. 12. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary services in addition to the hours of psychosocial treatment services identified in section 254B.19 for the ASAM level of care provided to the client.

(b) A license holder may provide the following ancillary treatment services as a part of the client's individual treatment:

(1) recovery support services provided individually or in a group setting, that include:

(i) supporting clients in restoring daily living skills, such as health and health care navigation and self-care to enhance personal well-being;

(ii) providing resources and assistance to help clients restore life skills, including effective parenting, financial management, pro-social behavior, education, employment, and nutrition;

(iii) assisting clients in restoring daily functioning and routines affected by substance use and supporting them in developing skills for successful community integration; and

(iv) helping clients respond to or avoid triggers that threaten their community stability, assisting the client in identifying potential crises and developing a plan to address them, and providing support to restore the client's stability and functioning; and

(2) peer recovery support services provided according to sections 254B.05, subdivision 5, and 254B.052.

Sec. 13. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

Subd. 3. ~~**Counselors**~~ **Treatment service providers.** (a) All treatment services~~, except peer recovery support services and treatment coordination,~~ must be provided by an ~~alcohol and drug counselor qualified according to section 245G.11, subdivision 5, unless the~~ individual ~~providing the service is~~ specifically qualified according to the accepted credential required to provide the service. ~~The commissioner shall maintain a current list of professionals qualified to provide treatment services.~~

(b) Psychosocial treatment services must be provided by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5, unless the individual providing the service is specifically qualified according to the accepted credential required to provide the service. The commissioner shall maintain a current list of professionals qualified to provide psychosocial treatment services.

(c) Treatment coordination must be provided by a treatment coordinator qualified according to section 245G.11, subdivision 7.

(d) Recovery support services must be provided by a behavioral health practitioner qualified according to section 245G.11, subdivision 12.

(e) Peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18.

Sec. 14. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment services a client receives at one of the license holder's substance use disorder treatment licensed locations or at a location allowed under paragraphs (b) to (f). If the services are provided at the locations in paragraphs (b) to (d), the license holder must document in the client record the location services were provided.

(b) The license holder may provide nonresidential individual treatment services at a client's home or place of residence.

(c) If the license holder provides treatment services by telehealth, the services must be provided according to this paragraph:

(1) the license holder must maintain a licensed physical location in Minnesota where the license holder must offer all treatment services in subdivision ~~1, paragraph (a), clauses (1) to (4),~~ 1a physically in-person to each client;

(2) the license holder must meet all requirements for the provision of telehealth in sections 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client receiving services by telehealth, regardless of payment type or whether the client is a medical assistance enrollee;

(3) the license holder may provide treatment services by telehealth to clients individually;

(4) the license holder may provide treatment services by telehealth to a group of clients that are each in a separate physical location;

(5) the license holder must not provide treatment services remotely by telehealth to a group of clients meeting together in person, unless permitted under clause (7);

(6) clients and staff may join an in-person group by telehealth if a staff member qualified to provide the treatment service is physically present with the group of clients meeting together in person; and

(7) the qualified professional providing a residential group treatment service by telehealth must be physically present on-site at the licensed residential location while the service is being provided. If weather conditions or short-term illness prohibit a qualified professional from traveling to the residential program and another qualified professional is not available to provide the service, a qualified professional may provide a residential group treatment service by telehealth from a location away from the licensed residential location. In such circumstances, the license holder must ensure that a qualified professional does not provide a residential group treatment service by telehealth from a location away from the licensed residential location for more than one day at a time, must ensure that a staff person who qualifies as a paraprofessional is physically present with the group of clients, and must document the reason for providing the remote telehealth service in the records

of clients receiving the service. The license holder must document the dates that residential group treatment services were provided by telehealth from a location away from the licensed residential location in a central log and must provide the log to the commissioner upon request.

(d) The license holder may provide the ~~additional~~ ancillary treatment services under subdivision ~~2, clauses (2) to (6) and (8),~~ 2a away from the licensed location at a suitable location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs (b) to (e). An individual abuse prevention plan is still required for any client that is a vulnerable adult as defined in section 626.5572, subdivision 21.

Sec. 15. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

Subd. 6. **Paraprofessionals.** A paraprofessional who does not meet the qualifications of the behavioral health practitioner as described in section 245G.11, subdivision 12, must have knowledge of client rights, according to section 148F.165, and staff member responsibilities. A paraprofessional may not make decisions to admit, transfer, or discharge a client but may perform tasks related to intake and orientation. A paraprofessional may be the responsible ~~for the delivery of treatment service~~ staff member according to section 245G.10, subdivision 3. A paraprofessional is not qualified to provide a treatment service according to section 245G.07, subdivisions 1a, 1b, and 2a.

Sec. 16. 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. 17. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision to read:

Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must meet the qualifications in section 245I.04, subdivision 4.

(b) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter has the following scope of practice:

(1) a behavioral health practitioner may provide clients with recovery support services, as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

(2) a behavioral health practitioner must not provide treatment supervision to other staff persons.

(c) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter must receive at least one hour of supervision per month on 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.

Sec. 18. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system. If the person seeking admission cannot be admitted within 14 days of the date of application, each person seeking admission must be placed on the waiting list, unless the person seeking admission is assessed by the program and found ineligible for admission according to this chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e), and title 45, parts 160 to 164. The waiting

list must assign a unique client identifier for each person seeking treatment while awaiting admission. A person seeking admission on a waiting list who receives no services under section 245G.07, subdivision ~~1~~ 1a or 1b, must not be considered a client as defined in section 245G.01, subdivision 9.

Sec. 19. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision ~~1, paragraph (a)~~ 1a, clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

Sec. 20. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

Subd. 4. **Civil commitments.** For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual to ~~access~~ be eligible for the behavioral health fund under section 254B.04. The ~~county~~ commissioner must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04.

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

Sec. 21. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

Subd. 10. **~~Skilled~~ Psychosocial treatment services.** "~~Skilled~~ Psychosocial treatment services" includes the treatment services described in section 245G.07, ~~subdivisions 1, paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled~~ subdivision 1a. Psychosocial treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3, paragraph (b).

Sec. 22. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

Subd. 5. **~~Local agency~~ Tribal allocation.** The commissioner may make payments to ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to support individuals with substance use disorders and determine eligibility for behavioral health fund payments. The payment must not be less than 133 percent of the ~~local agency~~ Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

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

Sec. 23. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. ~~**Local agency duties**~~ **Financial eligibility determinations.** (a) ~~Every local agency~~ The commissioner of human services or Tribal Nation servicing agencies must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. ~~Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05.~~ The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

(c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

~~(d) Beginning July 1, 2022, local agencies shall not make placement location determinations.~~

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

Sec. 24. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

Subd. 3. ~~**Local agencies**~~ **Counties to pay state for county share.** ~~Local agencies~~ Counties shall pay the state for the county share of the services authorized by the ~~local agency~~ commissioner, except when the payment is made according to section 254B.09, subdivision 8.

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

Sec. 25. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment

or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to ~~9505.0150~~ 9505.140;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by ~~a local agency~~ the commissioner under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

(i) Persons enrolled in MinnesotaCare are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section 256B.0622.

(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person may submit a request for additional eligibility to the commissioner. A person denied additional eligibility under this paragraph may request a state agency hearing under section 256.045.

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

Sec. 26. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

Subd. 5. ~~**Local agency**~~ **Commissioner responsibility to provide administrative services.** The ~~local agency~~ commissioner of human services may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

Sec. 27. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

Subd. 6. ~~**Local agency**~~ **Commissioner to determine client financial eligibility.** (a) The ~~local agency~~ commissioner shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of request. The ~~local agency~~ commissioner shall pay for eligible clients according to chapter 256G. Client eligibility must be determined using only forms prescribed by the commissioner ~~unless the local agency has a reasonable basis for believing that the information submitted on a form is false~~. To determine a client's eligibility, the ~~local agency~~ commissioner must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The ~~local agency~~ commissioner must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The ~~local agency~~ commissioner must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

~~(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.~~

~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period per calendar year.

~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 28. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.

Sec. 29. 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).~~ subdivisions 1, 1a, and 1b.

(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~~ treatment 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)~~ 1b. 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, and according to section 254B.052.

(d) A recovery community organization that meets the requirements of clauses (1) to (14) 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.

(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. 30. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivision 6, the commissioner shall establish rates for the following substance use disorder treatment 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)~~ (b) The commissioner shall establish higher rates for programs that meet the requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements:~~ the requirements of one clause in this paragraph.

(1) Programs that serve parents with their children are eligible for an enhanced payment rate 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~~;~~.

In order to be eligible for a higher rate under this clause, 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.

(2) Culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a~~;~~ are eligible for an enhanced payment rate.

(3) Disability responsive programs as defined in section 254B.01, subdivision 4b~~;~~ are eligible for an enhanced payment rate.

(4) Programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to one hour per client per week are eligible for an enhanced payment rate 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 are eligible for an enhanced payment rate 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;

(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)~~ (c) 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)~~ (d) 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)~~ (e) 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)~~ (f) 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)~~ (g) 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)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized holidays.

~~(l)~~ (i) 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)~~ (j) 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. 31. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision to read:

Subd. 6. **Rate adjustments.** (a) Effective for services rendered on or after January 1, 2026, the commissioner must implement the following base payment rates for substance use disorder treatment services under subdivision 5, paragraph (a):

(1) for low-intensity residential, 100 percent of the modeled rate included in the final report required by Laws 2021, First Special Session chapter 7, article 17, section 18;

(2) for high-intensity residential services, the rates in effect on December 31, 2025; and

(3) for all other services not included in clause (1) or (2), 55 percent of the modeled rate included in the final report required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(b) Effective January 1, 2028, and annually thereafter, the commissioner of human services must adjust the payment rates under paragraph (a) according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

Sec. 32. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

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

Sec. 33. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

Subd. 2. **American Indian agreements.** The commissioner may enter into agreements with federally recognized Tribal units to pay for substance use disorder treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities regarding the form and manner of invoicing.

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

Sec. 34. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

(1) For ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service hours allowable per week.

(3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

(b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors must provide each client at least 30 hours of treatment services per week for the period between January 1, 2024, through June 30, 2024.

Sec. 35. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) $2,000,000 is appropriated to the commissioner of human services for grants to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) $400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) $277,000 in fiscal year 2024 and $321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (o).

(g) $3,000,000 in fiscal year 2025 and $3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18. This paragraph expires June 30, 2025.

(h) $395,000 in fiscal year 2024 and $415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) $261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of children, youth, and families for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide prevention and child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects through a formula based on intake data from the previous three calendar years related to substance use and out-of-home placement episodes where parental drug abuse is a reason for the out-of-home placement. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide prevention and child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

Sec. 36. Minnesota Statutes 2024, section 256.043, is amended by adding a subdivision to read:

Subd. 5. **Transfers from registration and license fee account.** The commissioner of management and budget shall transfer $1,000,000 in fiscal year 2026 and $1,000,000 each year thereafter from the registration and license fee account under subdivision 3 to the general fund.

Sec. 37. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services. For CCBHCs certified after September 31, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause for services provided on or after January 1, 2024;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate

system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause ~~(8)~~ (2).

Sec. 38. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health home services provider must maintain staff with required professional qualifications appropriate to the setting.

(b) If behavioral health home services are offered in a mental health setting, the integration specialist must be a licensed nurse, as defined in section 148.171, subdivision 9.

(c) If behavioral health home services are offered in a primary care setting, the integration specialist must be a mental health professional who is qualified according to section 245I.04, subdivision 2.

(d) If behavioral health home services are offered in either a primary care setting or mental health setting, the systems navigator must be a mental health practitioner who is qualified according to section 245I.04, subdivision 4, or a community health worker as defined in section 256B.0625, subdivision 49.

(e) If behavioral health home services are offered in either a primary care setting or mental health setting, the qualified health home specialist must be one of the following:

(1) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10;

(2) a mental health certified family peer specialist who is qualified according to section 245I.04, subdivision 12;

(3) a case management associate as defined in section 245.462, subdivision 4, paragraph (g), or 245.4871, subdivision 4, paragraph (j);

(4) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14;

(5) a community paramedic as defined in section 144E.28, subdivision 9;

(6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~ 245G.11, subdivision 8; or

(7) a community health worker as defined in section 256B.0625, subdivision 49.

Sec. 39. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between a medical assistance eligibility determination and the release to the community.

(b) Facilities must offer the following services using either community-based or corrections-based providers:

(1) case management activities to address physical and behavioral health needs, including a comprehensive assessment of individual needs, development of a person-centered care plan, referrals and other activities to address assessed needs, and monitoring and follow-up activities;

(2) drug coverage in accordance with section 256B.0625, subdivision 13, including up to a 30-day supply of drugs upon release;

(3) substance use disorder comprehensive assessments according to section 254B.05, subdivision 5, paragraph (b), clause (2);

(4) treatment coordination services according to section 254B.05, subdivision 5, paragraph (b), clause (3);

(5) peer recovery support services according to sections 245I.04, subdivisions 18 and 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

(6) substance use disorder individual and group counseling provided according to sections 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

(7) mental health diagnostic assessments as required under section 245I.10;

(8) group and individual psychotherapy as required under section 256B.0671;

(9) peer specialist services as required under sections 245I.04 and 256B.0615;

(10) family planning and obstetrics and gynecology services; ~~and~~

(11) physical health well-being and screenings and care for adults and youth; and

(12) medications and nonmedication treatment services for opioid use disorder under section 245G.22.

(c) Services outlined in this subdivision must only be authorized when an individual demonstrates medical necessity or other eligibility as required under this chapter or applicable state and federal laws.

Sec. 40. Minnesota Statutes 2024, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18~~;~~, and early intensive developmental behavioral intervention services under section 256B.0949~~; and substance use disorder services under chapter 254B,~~ must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of

the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision.

Sec. 41. **DIRECTION TO COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT STAFF REPORT AND RECOMMENDATIONS.**

The commissioner of human services must, in consultation with the Board of Nursing, Board of Behavioral Health and Therapy, and Board of Medical Practice, conduct a study and develop recommendations to the legislature for amendments to Minnesota Statutes, chapter 245G, that would eliminate any limitations on licensed health professionals' ability to provide substance use disorder treatment services while practicing within their licensed or statutory scopes of practice. The commissioner must submit a report on the study and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy by January 15, 2027.

Sec. 42. **DIRECTION TO THE COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.**

The commissioner of human services must establish six new billing codes for nonresidential substance use disorder individual and group counseling, individual and group psychoeducation, and individual and group recovery support services. The new billing codes must correspond to a 15-minute unit and become effective for services provided on or after July 1, 2026.

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services must inform the revisor of statutes when federal approval is obtained.

Sec. 43. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research and Fiscal Analysis; and the Department of Human Services shall make necessary cross-reference changes and remove statutory cross-references in Minnesota Statutes to conform with the renumbering in this act. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate statutory changes made by other law in the 2025 regular legislative session or a special session. If a provision stricken in this act is also amended in the 2025 regular legislative session or a special session by other law, the revisor shall merge the amendment into the numbering, notwithstanding Minnesota Statutes, section 645.30.

Sec. 44. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A as amended in this act to the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
254B.05, subdivision 1, paragraph (a)	254B.0501, subdivision 1
254B.05, subdivision 1, paragraph (i)	254B.0501, subdivision 2
254B.05, subdivision 4	254B.0501, subdivision 3
254B.05, subdivision 1, paragraph (b)	254B.0501, subdivision 4
254B.05, subdivision 1, paragraph (c)	254B.0501, subdivision 5
254B.05, subdivision 1, paragraph (d)	254B.0501, subdivision 6, paragraph (a)
254B.05, subdivision 1, paragraph (e)	254B.0501, subdivision 6, paragraph (b)
254B.05, subdivision 1, paragraph (f)	254B.0501, subdivision 6, paragraph (c)
254B.05, subdivision 1, paragraph (g)	254B.0501, subdivision 6, paragraph (d)
254B.05, subdivision 1, paragraph (h)	254B.0501, subdivision 7
254B.05, subdivision 1b	254B.0501, subdivision 8
254B.05, subdivision 2	254B.0501, subdivision 9
254B.05, subdivision 3	254B.0501, subdivision 10
254B.05, subdivision 1a, paragraph (a)	254B.0503, subdivision 1, paragraph (a)
254B.05, subdivision 1a, paragraph (c)	254B.0503, subdivision 1, paragraph (b)
254B.05, subdivision 1a, paragraph (d)	254B.0503, subdivision 1, paragraph (c)
254B.05, subdivision 1a, paragraph (e)	254B.0503, subdivision 1, paragraph (d)
254B.05, subdivision1a, paragraph (b)	254B.0503, subdivision 2, paragraph (a)
254B.05, subdivision 1a, paragraph (e)	254B.0503, subdivision 2, paragraph (b)
254B.05, subdivision 5, paragraph (a)	254B.0505, subdivision 1
254B.05, subdivision 5, paragraph (c)	254B.0505, subdivision 2
254B.05, subdivision 5, paragraph (d)	254B.0505, subdivision 3
254B.05, subdivision 5, paragraph (e)	254B.0505, subdivision 4
254B.05, subdivision 5, paragraph (f)	254B.0505, subdivision 5
254B.05, subdivision 5, paragraph (g)	254B.0505, subdivision 6

254B.05, subdivision 5, paragraph (h)	254B.0505, subdivision 7
254B.05, subdivision 5, paragraph (i)	254B.0505, subdivision 8
254B.05, subdivision 5, paragraph (b), first sentence	254B.0507, subdivision 1
254B.05, subdivision 5, paragraph (b), clause (1), items (i) and (ii)	254B.0507, subdivision 2, paragraph (a)
254B.05, subdivision 5, paragraph (b), block left paragraph	254B.0507, subdivision 2, paragraph (b)
254B.05, subdivision 5, paragraph (b), clause (2)	254B.0507, subdivision 3
254B.05, subdivision 5, paragraph (b), clause (3)	254B.0507, subdivision 4
254B.05, subdivision 5, paragraph (b), clause (4)	254B.0507, subdivision 5
254B.05, subdivision 5, paragraph (b), clause (5)	254B.0507, subdivision 6, paragraph (a)
254B.05, subdivision 5, paragraph (b), clause (5), block left paragraph	254B.0507, subdivision 6, paragraph (b)
254B.05, subdivision 6, paragraph (a)	254B.0509, subdivision 1
254B.05, subdivision 6, paragraph (b)	254B.0509, subdivision 2
254B.05, subdivision 1, paragraph (j)	254B.052, subdivision 4
254B.05, subdivision 5, paragraph (j)	254B.052, subdivision 5

Sec. 45. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the terms "mental health practitioner" and "mental health practitioners" to "behavioral health practitioner" or "behavioral health practitioners" wherever they appear in Minnesota Statutes, chapter 245I.

Sec. 46. **REPEALER.**

Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; and 254B.01, subdivision 5, are repealed.

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

ARTICLE 4

HOUSING SUPPORTS

Section 1. Minnesota Statutes 2024, section 256I.05, is amended by adding a subdivision to read:

Subd. 1v. **Supplemental rate; Blue Earth County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2025, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed $750 per month, including any

legislatively authorized inflationary adjustments, for a housing support provider located in Blue Earth County that operates long-term residential facilities with a total of 20 beds that serve chemically dependent women and provide 24-hour-a-day supervision and other support services.

Sec. 2. Minnesota Statutes 2024, section 256I.05, is amended by adding a subdivision to read:

Subd. 1w. **Supplemental rate; Otter Tail County.** Notwithstanding the provisions in this section, beginning July 1, 2025, a county agency shall negotiate a supplemental rate for up to 24 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, including any legislatively authorized inflationary adjustments, for housing support providers located in Otter Tail County that operate facilities and provide room and board and supplementary services to adults recovering from substance use disorder, mental illness, or housing instability.

ARTICLE 5

HEALTH CARE

Section 1. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the commissioner shall review all medical evidence and seek information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Medical assistance providers must grant the state medical review team access to electronic health records held by the medical assistance providers, when available, to support efficient and accurate disability determinations.

(c) Medicaid providers shall accept electronically signed authorizations to release medical records provided by the state medical review team.

~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

~~(c)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief human services judge.

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

Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transportation, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (p).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

(h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical

assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate for the first 100 miles and an additional $75 for trips over 100 miles and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

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

Sec. 3. Minnesota Statutes 2024, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

Subdivision 1. **Payment reductions for base care services effective July 1, 2009.** ~~(a)~~ Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation.

Subd. 2. **Classification of therapies as basic care services.** ~~Effective July 1, 2010,~~ The commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in ~~this paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

Subd. 3. **Payment reductions to managed care plans effective October 1, 2009.** ~~(b)~~ Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1 effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

Subd. 4. **Temporary payment reductions effective September 1, 2011.** ~~(c)~~ (a) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

Subd. 5. **Payment increases effective September 1, 2014.** ~~(e)~~ (a) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent.

(b) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this ~~paragraph~~ subdivision.

Subd. 6. **Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent.

Subd. 7. **Payment increases effective July 1, 2015.** (a) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under ~~this~~ paragraph (b).

Subd. 8. **Exempt services.** ~~(h)~~ This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

Subd. 9. **Individually priced items.** ~~(i)~~ (a) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service.

(b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item.

(c) The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

Subd. 10. **Rate increases effective July 1, 2015.** ~~(j)~~ (a) Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

Subd. 11. **Rates for ventilators.** ~~(k)~~ (a) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate.

(b) Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate.

(c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this ~~paragraph~~ subdivision.

Subd. 12. **Rates subject to the upper payment limit.** ~~(l)~~ Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this ~~paragraph~~ subdivision.

Subd. 13. **Temporary rates for enteral nutrition and supplies.** ~~(m)~~ (a) For dates of service on or after July 1, 2023, through June 30, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023.

(b) This subdivision expires June 30, 2027.

Subd. 14. **Rates for enteral nutrition and supplies.** ~~(n)~~ For dates of service on or after July 1, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be the manufacturer's suggested retail price of that product or supply minus 20 percent.

If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.

Subd. 15. **Payments based on manufacturer's suggested retail price.** For medical supplies and equipment payments based on the manufacturer's suggested retail price methodology set forth in Minnesota Rules, part 9505.0445, item S, the commissioner shall establish the payment amount on an annual basis for tracheostomy tubes, low profile feeding tubes, and feeding tube extension sets.

ARTICLE 6

DIRECT CARE AND TREATMENT

Section 1. **[246.0142] FREE COMMUNICATION SERVICES FOR PATIENTS AND CLIENTS.**

Subdivision 1. **Free communication services.** The commissioner of human services and the Direct Care and Treatment executive board and all facilities, settings, and programs owned, operated, or under the programmatic or fiscal control of the commissioner of human services or the Direct Care and Treatment executive board are subject to section 241.252. The commissioner and executive board must not include the cost of voice or other communication services in the cost of care as defined under section 246.50 or 246B.01.

Subd. 2. **Communication service restrictions.** Notwithstanding section 241.252, subdivisions 2 and 4, nothing in this section entitles a civilly committed person to communication services restricted or limited under section 253B.03, subdivision 3, or 253D.19.

Sec. 2. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

Subdivision 1. **Commitment and competency proceedings.** In cases of voluntary admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient examination or participation in a competency attainment program under chapter 611, the committing county or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued shall initially pay for all costs. This includes the expenses of the taking into custody, confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07, examination, commitment, conveyance to the place of detention, rehearing, and hearings under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section which~~ those sections that are venued outside the county of commitment or the county of the chapter 611 competency proceedings order.

Sec. 3. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted to a state institution, or ordered for inpatient examination or participation in a competency attainment program under chapter 611 has no residence in this state, financial responsibility belongs to the county of commitment or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 was issued.

Sec. 4. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

Subdivision 1. **General procedures.** If upon investigation the local agency decides that the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in the county of financial responsibility as defined by this chapter, but that the applicant is otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment claim, or chapter 611 claim together with the record of any investigation it has made, to the county it believes is financially responsible. The copy and record must be sent within 60 days of the date the application was approved or the claim was paid. The first local agency shall provide assistance to the applicant until financial responsibility is transferred under this section.

The county receiving the transmittal has 30 days to accept or reject financial responsibility. A failure to respond within 30 days establishes financial responsibility by the receiving county.

Sec. 5. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe it is financially responsible, it should provide to the commissioner of human services and the initially responsible county a statement of all facts and documents necessary for the commissioner to make the requested determination of financial responsibility. The submission must clearly state the program area in dispute and must state the specific basis upon which the submitting county is denying financial responsibility.

(b) The initially responsible county then has 15 calendar days to submit its position and any supporting evidence to the commissioner. The absence of a submission by the initially responsible county does not limit the right of the commissioner of human services or Direct Care and Treatment executive board to issue a binding opinion based on the evidence actually submitted.

(c) A case must not be submitted until the local agency taking the application, ~~or~~ making the commitment, or residing in the county from which the first criminal order under chapter 611 was issued has made an initial determination about eligibility and financial responsibility, and services have been initiated. This paragraph does not prohibit the submission of closed cases that otherwise meet the applicable statute of limitations.

Sec. 6. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to read:

Subd. 5. **Costs related to confined treatment.** (a) When a defendant is ordered to participate in an examination in a treatment facility, a locked treatment facility, or a state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill the responsible health plan first. The county in which the criminal charges are filed is responsible to pay any charges not covered by the health plan, including co-pays and deductibles. If the defendant has health plan coverage and is confined in a hospital, but the hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1); 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal charges are filed is responsible for payment.

(b) The Direct Care and Treatment executive board shall determine the cost of confinement in a state-operated treatment facility based on the executive board's determination of cost of care pursuant to section 246.50, subdivision 5.

Sec. 7. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

Subdivision 1. **Order to competency attainment program.** (a) If the court finds the defendant incompetent and the charges have not been dismissed, the court shall order the defendant to participate in a program to assist the defendant in attaining competency. The court may order participation in a competency attainment program provided outside of a jail, a jail-based competency attainment program, or an alternative program. The court must determine the least-restrictive program appropriate to meet the defendant's needs and public safety. In making this determination, the court must consult with the forensic navigator and consider any recommendations of the court examiner. The court shall not order a defendant to participate in a jail-based program or a state-operated treatment program if the highest criminal charge is a targeted misdemeanor.

(b) If the court orders the defendant to a locked treatment facility or jail-based program, the court must calculate the defendant's custody credit and cannot order the defendant to a locked treatment facility or jail-based program for a period that would cause the defendant's custody credit to exceed the maximum sentence for the underlying charge.

(c) The court may only order the defendant to participate in competency attainment at an inpatient or residential treatment program under this section if the head of the treatment program determines that admission to the program is clinically appropriate and consents to the defendant's admission. The court may only order the defendant to participate in competency attainment at a state-operated treatment facility under this section if the Direct Care and Treatment executive board or a designee determines that admission of the defendant is clinically appropriate and consents to the defendant's admission. The court may require a competency program that qualifies as a locked facility or a state-operated treatment program to notify the court in writing of the basis for refusing consent for admission of the defendant in order to ensure transparency and maintain an accurate record. The court may not require personal appearance of any representative of a competency program. The court shall send a written request for notification to the locked facility or state-operated treatment program and the locked facility or state-operated treatment program shall provide a written response to the court within ten days of receipt of the court's request.

(d) If the defendant is confined in jail and has not received competency attainment services within 30 days of the finding of incompetency, the court shall review the case with input from the prosecutor and defense counsel and may:

(1) order the defendant to participate in an appropriate competency attainment program that takes place outside of a jail;

(2) order a conditional release of the defendant with conditions that include but are not limited to a requirement that the defendant participate in a competency attainment program when one becomes available and accessible;

(3) make a determination as to whether the defendant is likely to attain competency in the reasonably foreseeable future and proceed under section 611.49; or

(4) upon a motion, dismiss the charges in the interest of justice.

(e) The court may order any hospital, treatment facility, or correctional facility that has provided care or supervision to a defendant in the previous two years to provide copies of the defendant's medical records to the competency attainment program or alternative program in which the defendant

was ordered to participate. This information shall be provided in a consistent and timely manner and pursuant to all applicable laws.

(f) If at any time the defendant refuses to participate in a competency attainment program or an alternative program, the head of the program shall notify the court and any entity responsible for supervision of the defendant.

(g) At any time, the head of the program may discharge the defendant from the program or facility. The head of the program must notify the court, prosecutor, defense counsel, and any entity responsible for the supervision of the defendant prior to any planned discharge. Absent emergency circumstances, this notification shall be made five days prior to the discharge if the defendant is not being discharged to jail or a correctional facility. Upon the receipt of notification of discharge or upon the request of either party in response to notification of discharge, the court may order that a defendant who is subject to bail or unmet conditions of release be returned to jail upon being discharged from the program or facility. If the court orders a defendant returned to jail, the court shall notify the parties and head of the program at least one day before the defendant's planned discharge, except in the event of an emergency discharge where one day notice is not possible. The court must hold a review hearing within seven days of the defendant's return to jail. The forensic navigator must be given notice of the hearing and be allowed to participate.

(h) If the defendant is discharged from the program or facility under emergency circumstances, notification of emergency discharge shall include a description of the emergency circumstances and may include a request for emergency transportation. The court shall make a determination on a request for emergency transportation within 24 hours. Nothing in this section prohibits a law enforcement agency from transporting a defendant pursuant to any other authority.

(i) If the defendant is ordered to participate in an inpatient or residential competency attainment or alternative program, the program or facility must notify the court, prosecutor, defense counsel, forensic navigator, and any entity responsible for the supervision of the defendant if the defendant is placed on a leave or elopement status from the program and if the defendant returns to the program from a leave or elopement status.

(j) Defense counsel, prosecutors, and forensic navigators must have access to information relevant to a defendant's participation and treatment in a competency attainment program or alternative program, including but not limited to discharge planning.

Sec. 8. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to read:

Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created, or maintained by a competency attainment program or an alternative program regarding a defendant in order for navigators to carry out their duties under this section. A competency attainment program or alternative program may request a copy of the court order appointing the forensic navigator before disclosing any private information about a defendant.

ARTICLE 7

DEPARTMENT OF DIRECT CARE AND TREATMENT ESTABLISHMENT

Section 1. Minnesota Statutes 2024, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Direct Care and Treatment; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; ~~Direct Care and Treatment;~~ Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; the Public Utilities Commission; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

Sec. 2. Minnesota Statutes 2024, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; the Department of Direct Care and Treatment; the Department of Education; the Department of Employment and Economic

Development; the Department of Health; the Department of Human Rights; the Department of Human Services; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

Sec. 3. Minnesota Statutes 2024, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Health; Human Rights; Human Services; Iron Range Resources and Rehabilitation; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

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 commissioner of 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 commissioner of 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~~.

Sec. 5. Minnesota Statutes 2024, section 246C.01, is amended to read:

246C.01 TITLE.

This chapter may be cited as the "Department of Direct Care and Treatment Act."

Sec. 6. Minnesota Statutes 2024, section 246C.015, subdivision 3, is amended to read:

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of ~~human services~~ direct care and treatment.

Sec. 7. Minnesota Statutes 2024, section 246C.015, is amended by adding a subdivision to read:

Subd. 5b. **Department.** "Department" means the Department of Direct Care and Treatment.

Sec. 8. Minnesota Statutes 2024, section 246C.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Department of Direct Care and Treatment is ~~created as an agency headed by an executive board~~ established.

Sec. 9. Minnesota Statutes 2024, section 246C.04, subdivision 2, is amended to read:

Subd. 2. **Transfer of custody of civilly committed persons.** The commissioner of human services shall continue to exercise all authority and responsibility for and retain custody of persons subject to civil commitment under chapter 253B or 253D until July 1, 2025. Effective July 1, 2025, custody of persons subject to civil commitment under chapter 253B or 253D and in the custody of the commissioner of human services as of that date is hereby transferred to the ~~executive board~~ commissioner without any further act or proceeding. Authority and responsibility for the commitment of such persons is transferred to the ~~executive board~~ commissioner July 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 246C.04, subdivision 3, is amended to read:

Subd. 3. **Control of direct care and treatment.** The commissioner of human services shall continue to exercise all authorities and responsibilities under this chapter and chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, with reference to any state-operated service, program, or facility subject to transfer under Laws 2024, chapter 79; Laws 2024, chapter 125, article 5; and Laws 2024, chapter 127, article 50, until July 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the commissioner of human services with reference to any state-operated service, program, or facility are hereby transferred to, vested in, and imposed upon the ~~executive board~~ commissioner according to this chapter and applicable state law. Effective July 1, 2025, the ~~executive board~~ commissioner has the exclusive power of administration and management of all state hospitals for persons with a developmental disability, mental illness, or substance use disorder. Effective July 1, 2025, the ~~executive board~~ commissioner has the power and authority to determine all matters relating to the development of all of the foregoing institutions and of such other institutions vested in the ~~executive board~~ commissioner. Effective July 1, 2025, the powers, functions, and authority vested in the commissioner of human services relative to such state

institutions are transferred to the ~~executive board~~ commissioner according to this chapter and applicable state law.

Sec. 11. Minnesota Statutes 2024, section 246C.07, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The ~~executive board~~ commissioner must operate the ~~agency~~ department according to this chapter and applicable state and federal law. The overall management and control of the ~~agency~~ department is vested in the ~~executive board~~ commissioner in accordance with this chapter.

(b) The ~~executive board~~ commissioner must appoint a chief executive officer according to section 246C.08. The chief executive officer is responsible for the administrative and operational duties of the Department of Direct Care and Treatment in accordance with this chapter and serves as the deputy commissioner for the purposes of section 15.06 and as deputy agency head for the purposes of section 43A.08.

(c) The ~~executive board~~ commissioner may delegate duties imposed by this chapter and under applicable state and federal law as deemed appropriate by the ~~board~~ commissioner and in accordance with this chapter. Any delegation of a specified statutory duty or power to an employee of the Department of Direct Care and Treatment other than the chief executive officer must be made by written order and filed with the secretary of state. Only the chief executive officer shall have the powers and duties of the ~~executive board~~ commissioner as specified in section 246C.08.

Sec. 12. Minnesota Statutes 2024, section 246C.07, subdivision 2, is amended to read:

Subd. 2. **Principles.** The ~~executive board~~ commissioner, in undertaking ~~its~~ the commissioner's duties and responsibilities and within the Department of Direct Care and Treatment resources, shall act according to the following principles:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the ~~agency~~ department as efficiently as possible;

(3) coordinate Department of Direct Care and Treatment activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase ~~agency~~ department productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government; and

(5) utilize constructive and cooperative labor management practices to the extent otherwise required by chapter 43A or 179A.

Sec. 13. Minnesota Statutes 2024, section 246C.07, subdivision 8, is amended to read:

Subd. 8. **Biennial estimates; suggestions for legislation.** The ~~executive board~~ commissioner shall prepare, for the use of the legislature, biennial estimates of appropriations necessary or expedient to be made for the support of the institutions and for extraordinary and special expenditures for buildings and other improvements. The ~~executive board~~ commissioner shall make suggestions

relative to legislation for the benefit of the institutions. The ~~executive board~~ commissioner shall report the estimates and suggestions to the legislature on or before November 15 in each even-numbered year. ~~A designee of the executive board~~ The commissioner on request shall appear before any legislative committee and furnish any required information in regard to the condition of any such institution.

Sec. 14. **[246C.075] ADVISORY COUNCIL ON DIRECT CARE AND TREATMENT.**

Subdivision 1. **Establishment.** An Advisory Council on Direct Care and Treatment is established.

Subd. 2. **Membership.** (a) The Advisory Council on Direct Care and Treatment must consist of no more than 15 members appointed as provided in section 15.0597. The advisory council must include:

(1) one member who is a licensed physician with experience serving behavioral health patients or a licensed psychiatrist, appointed by the commissioner;

(2) two members with executive management experience at a hospital or health care system, or experience serving on the board of a hospital or health care system, appointed by the commissioner;

(3) three members, each appointed by the commissioner, who have experience working:

(i) in the delivery of behavioral health services;

(ii) in care coordination;

(iii) in traditional healing practices;

(iv) as a licensed health care professional;

(v) within health care administration; or

(vi) with residential services;

(4) one member appointed by the Association of Counties;

(5) one member who has an active role as a union representative representing staff at the Department of Direct Care and Treatment appointed by joint representatives of the following unions: American Federation of State, County, and Municipal Employees (AFSCME); Minnesota Association of Professional Employees (MAPE); Minnesota Nurses Association (MNA); Middle Management Association (MMA); and State Residential Schools Education Association (SRSEA);

(6) one member appointed by the National Alliance on Mental Illness Minnesota;

(7) two members representing people with lived experience being served by state-operated treatment programs or their families, appointed by the commissioner;

(8) one member appointed by the Minnesota Disability Law Center; and

(9) up to three additional members appointed by the commissioner reflecting community interests or perspectives the commissioner deems valuable.

(b) Membership on the advisory council must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

(c) Appointing authorities under paragraph (a) must make initial appointments by September 1, 2025.

Subd. 3. **Terms; compensation; removal; vacancies; expiration.** (a) The membership terms, compensation, removal of members, and filling of vacancies of members are as provided in section 15.059, except that council members shall not receive a per diem.

(b) The advisory council does not expire.

Subd. 4. **Meetings.** (a) The members of the advisory council shall elect a chair from among their membership at the first meeting and annually thereafter or upon a vacancy in the chair. The advisory council shall meet at the call of the commissioner, the call of the chair, or upon the call of a majority of members.

(b) The first meeting of the advisory council must be held no later than September 15, 2025.

Subd. 5. **Duties.** The advisory council shall advise the commissioner regarding the operations of the Department of Direct Care and Treatment, the clinical standards of care for patients and clients of state-operated programs, and provide recommendations to the commissioner for improving the department's role in the state's mental health care system.

Sec. 15. Minnesota Statutes 2024, section 246C.08, is amended to read:

246C.08 CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.

Subdivision 1. **Service.** (a) The direct care and treatment chief executive officer is appointed by the ~~executive board, in consultation with the governor, and serves at the pleasure of the executive board, with the advice and consent of the senate~~ commissioner, and is the deputy commissioner for the purposes of section 15.06.

(b) The chief executive officer shall serve in the unclassified service in accordance with section 43A.08. The Compensation Council under section 15A.082 shall establish the salary of the chief executive officer.

Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist the ~~executive board~~ commissioner. The chief executive officer is responsible for the administrative and operational management of the agency.

~~(b) The chief executive officer shall have all the powers of the executive board unless the executive board directs otherwise. The chief executive officer shall have the authority to speak for the executive board and Direct Care and Treatment within and outside the agency.~~

~~(c)~~ (b) In the event that a vacancy occurs for any reason within the chief executive officer position, the executive medical director appointed under section 246C.09 shall immediately become the temporary chief executive officer until the ~~executive board~~ commissioner appoints a new chief executive officer. During this period, the executive medical director shall have all the powers and

authority delegated to the chief executive officer by the ~~board~~ commissioner and specified in this chapter.

Subd. 3. **Minimum qualifications.** The chief executive officer must be selected by the commissioner without regard to political affiliation and must have wide and successful administrative experience in and understanding of health care, preferably behavioral health care, including clinical and operational needs of a large health care service and delivery organization.

Sec. 16. Minnesota Statutes 2024, section 246C.09, subdivision 3, is amended to read:

Subd. 3. **Duties.** The executive medical director shall:

(1) oversee the clinical provision of inpatient mental health services provided in the state's regional treatment centers;

(2) recruit and retain psychiatrists to serve on the ~~Direct Care and Treatment~~ department medical staff established in subdivision 4;

(3) consult with the ~~executive board, the chief executive officer,~~ commissioner, the chief executive officer, and community mental health center directors to develop standards for treatment and care of patients in state-operated service programs;

(4) develop and oversee a continuing education program for members of the medical staff; and

(5) participate and cooperate in the development and maintenance of a quality assurance program for state-operated services that assures that residents receive continuous quality inpatient, outpatient, and postdischarge care.

Sec. 17. Minnesota Statutes 2024, section 246C.091, subdivision 2, is amended to read:

Subd. 2. **Facilities management account.** A facilities management account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the commissioner of direct care and treatment ~~executive board~~ and may be used to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the design and construction of buildings for ~~Direct Care and Treatment~~ department use. Money received for maintaining state property under control of the ~~executive board~~ commissioner may be deposited into this account.

Sec. 18. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

Subd. 3. **Direct care and treatment systems account.** (a) The direct care and treatment systems account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the commissioner of direct care and treatment ~~executive board~~ and may be used for security systems and information technology projects, services, and support under the control of the ~~executive board~~ commissioner.

(b) The commissioner of human services shall transfer all money allocated to the direct care and treatment systems projects under section 256.014 to the direct care and treatment systems account under this section by June 30, 2026.

Sec. 19. Minnesota Statutes 2024, section 246C.091, subdivision 4, is amended to read:

Subd. 4. **Cemetery maintenance account.** The cemetery maintenance account is created in the special revenue fund of the state treasury. Money in the account is appropriated to the ~~executive board~~ commissioner of direct care and treatment for the maintenance of cemeteries under control of the ~~executive board~~ commissioner. Money allocated to ~~Direct Care and Treatment~~ department cemeteries may be transferred to this account.

Sec. 20. Laws 2024, chapter 127, article 50, section 41, subdivision 2, is amended to read:

Subd. 2. **Chief executive officer.** (a) The commissioner of direct care and treatment ~~executive board~~ must appoint as the initial chief executive officer for direct care and treatment under Minnesota Statutes, section ~~246C.07~~ 246C.08, the chief executive officer of the direct care and treatment division of the Department of Human Services holding that position at the time the initial appointment is made by the ~~board~~ commissioner. The initial appointment of the chief executive officer must be made by the ~~executive board~~ commissioner by July 1, 2025. ~~The initial appointment of the chief executive officer is subject to confirmation by the senate.~~

(b) In its report issued April 1, 2025, the Compensation Council under Minnesota Statutes, section 15A.082, must establish the salary of the chief executive officer at an amount equal to or greater than the amount paid to the chief executive officer of the direct care and treatment division of the Department of Human Services as of the date of initial appointment. The salary of the chief executive officer shall become effective July 1, 2025, pursuant to Minnesota Statutes, section 15A.082, subdivision 3. Notwithstanding Minnesota Statutes, sections 15A.082 and 246C.08, subdivision 1, if the initial appointment of the chief executive officer occurs prior to the effective date of the salary specified by the Compensation Council in its April 1, 2025, report, the salary of the chief executive officer must equal the amount paid to the chief executive officer of the direct care and treatment division of the Department of Human Services as of the date of initial appointment.

Sec. 21. **INITIAL APPOINTMENT OF COMMISSIONER OF DIRECT CARE AND TREATMENT.**

The initial appointment of a commissioner of direct care and treatment or initial designation of a temporary commissioner of direct care and treatment by the governor under Minnesota Statutes, section 15.06, must be made by July 1, 2025. Notwithstanding Minnesota Statutes, section 15.066, subdivision 2, clause (4), the initial appointment of a commissioner of direct care and treatment or initial designation of a temporary commissioner of direct care and treatment is effective no earlier than July 1, 2025.

Sec. 22. **SALARY FOR THE COMMISSIONER OF THE DEPARTMENT OF DIRECT CARE AND TREATMENT.**

If the initial appointment of the commissioner of the Department of Direct Care and Treatment occurs prior to the commissioner's salary being determined by the Compensation Council under Minnesota Statutes, section 15A.082, the commissioner's salary must equal the salary of the chief executive officer of direct care and treatment, as determined under Minnesota Statutes, section 15A.0815, subdivision 2.

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon adoption by the Compensation Council of a salary for the position of commissioner of the Department of Direct Care and Treatment.

Sec. 23. **DISSOLUTION OF THE DIRECT CARE AND TREATMENT EXECUTIVE BOARD.**

Subdivision 1. **Dissolution of executive board.** Upon the effective date of this section, the direct care and treatment executive board under Minnesota Statutes, section 246C.06, is dissolved.

Subd. 2. **Transfer of duties.** (a) Any authorities and responsibilities that were vested in the executive board prior to July 1, 2025, are transferred to the commissioner of human services. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from the direct care and treatment executive board to the commissioner of human services between the effective date of this section and July 1, 2025.

(b) Minnesota Statutes, section 246C.04, governs the transfer of authority and responsibility on July 1, 2025, from the commissioner of human services to the commissioner of direct care and treatment.

Sec. 24. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the term "Direct Care and Treatment" to "the Department of Direct Care and Treatment" and "agency" to "department" wherever the terms appear in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

(b) The revisor of statutes shall change the term "executive board" to "commissioner" and "Direct Care and Treatment executive board" to "commissioner of direct care and treatment" wherever the terms appear in respect to the head of the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 25. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research and Fiscal Analysis; the Department of Human Services; and the Department of Direct Care and Treatment, shall make necessary cross-reference changes to conform with this act. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate statutory changes made by other law in the 2025 regular legislative session.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 246C.06, subdivision 11, as Minnesota Statutes, section 246C.07, subdivision 4a, and correct all cross-references.

Sec. 27. **REPEALER.**

(a) Minnesota Statutes 2024, sections 246C.015, subdivisions 5a and 6; 246C.06, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 246C.07, subdivisions 4 and 5, are repealed.

(b) Laws 2024, chapter 79, article 1, section 20, is repealed.

(c) Laws 2024, chapter 125, article 5, sections 40; and 41; and Laws 2024, chapter 127, article 50, sections 40; and 41, subdivisions 1, and 3, are repealed retroactive to July 1, 2024.

Sec. 28. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 8

DEPARTMENT OF DIRECT CARE AND TREATMENT CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the salaries on the department's website. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

Commissioner of direct care and treatment;

Executive director of the Gambling Control Board;

Executive director of the Minnesota State Lottery;

Executive director of the Office of Cannabis Management;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for mental health and developmental disabilities;

Ombudsperson for corrections;

Chair, Metropolitan Council;

Chair, Metropolitan Airports Commission;

School trust lands director;

Executive director of pari-mutuel racing;

Commissioner, Public Utilities Commission;

~~Chief Executive Officer, Direct Care and Treatment;~~ and

Director of the Office of Emergency Medical Services.

Sec. 2. Minnesota Statutes 2024, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year to establish the compensation of constitutional officers and the heads of state and metropolitan agencies identified in section 15A.0815~~,~~ and to assist the legislature in establishing the compensation of

justices of the supreme court and judges of the court of appeals and district court~~, and to determine the daily compensation for voting members of the Direct Care and Treatment executive board~~.

Sec. 3. Minnesota Statutes 2024, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each odd-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for justices of the supreme court, and judges of the court of appeals and district court. The recommended salaries take effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise. The salary recommendations take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

(b) By April 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount sufficient to pay the salaries prescribed by the council constitutes a prescription by law as provided in the Minnesota Constitution, article V, sections 4 and 5.

~~(c) By April 1 in each odd-numbered year, the Compensation Council must prescribe daily compensation for voting members of the Direct Care and Treatment executive board. The recommended daily compensation takes effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise.~~

Sec. 4. Minnesota Statutes 2024, section 15A.082, subdivision 7, is amended to read:

Subd. 7. **No ex parte communications.** Members may not have any communication with a constitutional officer, a head of a state agency, or a member of the judiciary~~, or a member of the Direct Care and Treatment executive board~~ during the period after the first meeting is convened under this section and the date the prescribed and recommended salaries ~~and daily compensation~~ are submitted under subdivision 3.

Sec. 5. Minnesota Statutes 2024, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) the chief executive officer of Direct Care and Treatment who serves as the deputy agency head.

Sec. 6. Minnesota Statutes 2024, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~Direct Care and Treatment;~~ the Minnesota Zoological Board; and the Office of Emergency Medical Services.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 7. Minnesota Statutes 2024, section 245.021, is amended to read:

245.021 ~~DEFINITIONS~~ DEFINITION.

(a) For the purposes of this chapter, the ~~definitions~~ definition in this section ~~have~~ has the ~~meanings~~ meaning given ~~them~~.

(b) "Commissioner" means the commissioner of human services.

~~(c) "Executive board" has the meaning given in section 246C.015.~~

Sec. 8. Minnesota Statutes 2024, section 245.073, is amended to read:

245.073 TECHNICAL TRAINING; COMMUNITY-BASED PROGRAMS.

(a) In conjunction with the discharge of persons from regional treatment centers and their admission to state-operated and privately operated community-based programs, the commissioner may provide technical training assistance to the community-based programs. The commissioner may apply for and accept money from any source including reimbursement charges from the community-based programs for reasonable costs of training. Money received must be deposited in the general fund and is appropriated annually to the commissioner of human services for training under this section.

(b) The commissioner must coordinate with the ~~executive board~~ commissioner of direct care and treatment or the commissioner's designee to provide technical training assistance to community-based programs under this section and section 246C.11, subdivision 5.

Sec. 9. Minnesota Statutes 2024, section 246.13, subdivision 1, is amended to read:

Subdivision 1. ~~**Executive board**~~ **Record responsibilities.** (a) The chief executive officer or a designee shall have, accessible only by consent of the ~~executive board~~ commissioner or on the order of a judge or court of record, a record showing:

(1) the residence, sex, age, nativity, occupation, civil condition, and date of entrance or commitment of every person, in the state-operated services facilities as defined under section 246C.02 under exclusive control of the ~~executive board~~ commissioner;

(2) the date of discharge of any such person and whether such discharge was final;

(3) the condition of the person when the person left the state-operated services facility;

(4) the vulnerable adult abuse prevention associated with the person; and

(5) the date and cause of any death of such person.

(b) The record in paragraph (a) must state every transfer of a person from one state-operated services facility to another, naming each state-operated services facility. The head of each facility or a designee must provide this transfer information to the ~~executive board~~ commissioner, along with other obtainable facts as the ~~executive board~~ commissioner requests.

(c) The head of the state-operated services facility or designee shall inform the ~~executive board~~ commissioner of any discharge, transfer, or death of a person in that facility within ten days of the date of discharge, transfer, or death in a manner determined by the ~~executive board~~ commissioner.

(d) The ~~executive board~~ commissioner shall maintain an adequate system of records and statistics for all basic record forms, including patient personal records and medical record forms. The use and maintenance of such records must be consistent throughout all state-operated services facilities.

Sec. 10. Minnesota Statutes 2024, section 246B.01, is amended by adding a subdivision to read:

Subd. 2e. **Commissioner.** "Commissioner" means the commissioner of direct care and treatment.

Sec. 11. Minnesota Statutes 2024, section 252.021, is amended by adding a subdivision to read:

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of human services.

Sec. 12. 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~~ commissioner of direct care and treatment shall also take into account:

(1) prioritization of beds 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~~ commissioner of direct care and treatment must locate state-operated, community-based programs in coordination with the commissioner of human services according to section 252.28.

Sec. 13. Minnesota Statutes 2024, section 253.195, is amended by adding a subdivision to read:

Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and treatment.

Sec. 14. Minnesota Statutes 2024, section 253B.02, is amended by adding a subdivision to read:

Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and treatment.

Sec. 15. Minnesota Statutes 2024, section 253B.02, subdivision 3, is amended to read:

Subd. 3. **Commissioner of human services.** "Commissioner of human services" means the commissioner of human services or the commissioner's designee.

Sec. 16. Minnesota Statutes 2024, section 253B.02, subdivision 4c, is amended to read:

Subd. 4c. **County of financial responsibility.** (a) "County of financial responsibility" has the meaning specified in chapter 256G. This definition does not require that the person qualifies for or receives any other form of financial, medical, or social service assistance in addition to the services under this chapter. Disputes about the county of financial responsibility shall be submitted for determination to the ~~executive board~~ commissioner through the commissioner of human services in the manner prescribed in section 256G.09.

(b) For purposes of proper venue for filing a petition pursuant to section 253B.064, subdivision 1, paragraph (a); 253B.07, subdivision 1, paragraph (a); or 253D.07, where the designated agency of a county has determined that it is the county of financial responsibility, then that county is the county of financial responsibility until a different determination is made by the appropriate county agencies or the commissioner of human services pursuant to chapter 256G.

Sec. 17. Minnesota Statutes 2024, section 253B.03, subdivision 7, is amended to read:

Subd. 7. **Treatment plan.** A patient receiving services under this chapter has the right to receive proper care and treatment, best adapted, according to contemporary professional standards, to rendering further supervision unnecessary. The treatment facility, state-operated treatment program, or community-based treatment program shall devise a written treatment plan for each patient which describes in behavioral terms the case problems, the precise goals, including the expected period of time for treatment, and the specific measures to be employed. The development and review of treatment plans must be conducted as required under the license or certification of the treatment facility, state-operated treatment program, or community-based treatment program. If there are no review requirements under the license or certification, the treatment plan must be reviewed quarterly. The treatment plan shall be devised and reviewed with the designated agency and with the patient. The clinical record shall reflect the treatment plan review. If the designated agency or the patient does not participate in the planning and review, the clinical record shall include reasons for nonparticipation and the plans for future involvement. The commissioner of human services shall monitor the treatment plan and review process for state-operated treatment programs to ensure compliance with the provisions of this subdivision.

Sec. 18. Minnesota Statutes 2024, section 253B.041, subdivision 4, is amended to read:

Subd. 4. **Evaluation.** Counties may, but are not required to, provide engagement services. The commissioner of human services may conduct a pilot project evaluating the impact of engagement services in decreasing commitments, increasing engagement in treatment, and other measures.

Sec. 19. 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 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~~.

Sec. 20. 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~~ commissioner, 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 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 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.

Sec. 21. 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 under section 253B.18, subdivision 5. The judicial appeal panel must not consider petitions for relief other than those considered by the ~~executive board~~ commissioner 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~~ commissioner 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~~ commissioner, 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~~

commissioner 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.

Sec. 22. Minnesota Statutes 2024, section 253B.20, subdivision 2, is amended to read:

Subd. 2. **Necessities.** (a) The state-operated treatment program shall make necessary arrangements at the expense of the state to insure that no patient is discharged or provisionally discharged without suitable clothing. The head of the state-operated treatment program shall, if necessary, provide the patient with a sufficient sum of money to secure transportation home, or to another destination of the patient's choice, if the destination is located within a reasonable distance of the state-operated treatment program.

(b) The commissioner of human services shall establish procedures by rule to help the patient receive all public assistance benefits provided by state or federal law to which the patient is entitled by residence and circumstances. The rule shall be uniformly applied in all counties. All counties shall provide temporary relief whenever necessary to meet the intent of this subdivision.

(c) The commissioner of human services and the ~~executive board~~ commissioner may adopt joint rules necessary to accomplish the requirements under paragraph (b).

Sec. 23. Minnesota Statutes 2024, section 253D.02, is amended by adding a subdivision to read:

Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and treatment.

Sec. 24. Minnesota Statutes 2024, section 253D.02, subdivision 3, is amended to read:

Subd. 3. **Commissioner of corrections.** "Commissioner of corrections" means the commissioner of corrections or the commissioner's designee.

Sec. 25. Minnesota Statutes 2024, section 254B.05, subdivision 4, is amended to read:

Subd. 4. **Regional treatment centers.** Regional treatment center substance use disorder treatment units are eligible vendors. The ~~executive board~~ commissioner of direct care and treatment may expand the capacity of substance use disorder treatment units beyond the capacity funded by direct legislative appropriation to serve individuals who are referred for treatment by counties and whose

treatment will be paid for by funding under this chapter or other funding sources. Notwithstanding the provisions of sections 254B.03 to 254B.04, payment for any person committed at county request to a regional treatment center under chapter 253B for chemical dependency treatment and determined to be ineligible under the behavioral health fund, shall become the responsibility of the county.

Sec. 26. Minnesota Statutes 2024, section 256.045, is amended by adding a subdivision to read:

Subd. 1b. **Commissioner.** For purposes of this section, "commissioner" means the commissioner of human services.

Sec. 27. Minnesota Statutes 2024, section 256.045, subdivision 6, is amended to read:

Subd. 6. **Additional powers of commissioner; subpoenas.** (a) The commissioner of human services, the commissioner of health for matters within the commissioner's jurisdiction under subdivision 3b, or the ~~Direct Care and Treatment executive board~~ commissioner of direct care and treatment for matters within the commissioner's jurisdiction ~~of the executive board~~ under subdivision 5a, may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state human services judge for a hearing held under subdivision 3, 3a, 3b, or 4a. In all matters dealing with human services committed by law to the discretion of the county agency, the judgment of the applicable commissioner ~~or executive board~~ may be substituted for that of the county agency. The applicable commissioner ~~or executive board~~ may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 3, 3a, 3b, or 4a may request that the applicable commissioner ~~or executive board~~ issue a subpoena to compel the attendance of witnesses and the production of records at the hearing. A local agency may request that the applicable commissioner ~~or executive board~~ issue a subpoena to compel the release of information from third parties prior to a request for a hearing under section 256.046 upon a showing of relevance to such a proceeding. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

(c) The commissioner of human services may issue a temporary order staying a proposed demission by a residential facility licensed under chapter 245A:

(1) while an appeal by a recipient under subdivision 3 is pending;

(2) for the period of time necessary for the case management provider to implement the commissioner's order; or

(3) for appeals under subdivision 3, paragraph (a), clause (11), when the individual is seeking a temporary stay of demission on the basis that the county has not yet finalized an alternative arrangement for a residential facility, a program, or services that will meet the assessed needs of the individual by the effective date of the service termination, a temporary stay of demission may be issued for no more than 30 calendar days to allow for such arrangements to be finalized.

Sec. 28. Minnesota Statutes 2024, section 256.045, subdivision 7, is amended to read:

Subd. 7. **Judicial review.** Except for a prepaid health plan, any party who is aggrieved by an order of the commissioner of human services; the commissioner of health; or the commissioner of

children, youth, and families in appeals within the commissioner's jurisdiction under subdivision 3b; or the ~~Direct Care and Treatment executive board~~ commissioner of direct care and treatment in appeals within the commissioner's jurisdiction ~~of the executive board~~ under subdivision 5a may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under subdivision 3b, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the applicable commissioner ~~or executive board~~ and any adverse party of record within 30 days after the date the commissioner ~~or executive board~~ issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision, with the exception of appeals taken under subdivision 3b. The applicable commissioner ~~or executive board~~ may elect to become a party to the proceedings in the district court. Except for appeals under subdivision 3b, any party may demand that the applicable commissioner ~~or executive board~~ furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services judge, by serving a written demand upon the applicable commissioner ~~or executive board~~ within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the applicable commissioner ~~or executive board~~ under subdivision 5 or 5a may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 29. Minnesota Statutes 2024, section 256G.09, subdivision 3, is amended to read:

Subd. 3. **Commissioner obligations.** (a) Except as provided in paragraph (b) for matters under the jurisdiction of the ~~Direct Care and Treatment executive board~~ commissioner of direct care and treatment, the commissioner shall then promptly decide any question of financial responsibility as outlined in this chapter and make an order referring the application to the local agency of the proper county for further action. Further action may include reimbursement by that county of assistance that another county has provided to the applicant under this subdivision. The commissioner shall decide disputes within 60 days of the last county evidentiary submission and shall issue an immediate opinion.

(b) For disputes regarding financial responsibility relating to matters under the jurisdiction of the ~~direct care and treatment executive board~~ commissioner of direct care and treatment, the commissioner shall promptly issue an advisory opinion on any question of financial responsibility as outlined in this chapter and recommend to the ~~executive board~~ commissioner of direct care and treatment an order referring the application to the local agency of the proper county for further action. Further action may include reimbursement by that county of assistance that another county has provided to the applicant under this subdivision. The commissioner shall provide an advisory opinion and recommended order to the ~~executive board~~ commissioner of direct care and treatment within 30 days of the last county evidentiary submission. The ~~executive board~~ commissioner of direct care and treatment shall decide to accept or reject the commissioner's advisory opinion and recommended order within 60 days of the last county evidentiary submission and shall issue an immediate opinion stating the reasons for accepting or rejecting the commissioner's recommendation.

(c) The commissioner may make any investigation ~~it~~ the commissioner considers proper before making a decision or a recommendation to the ~~executive board~~ commissioner of direct care and treatment. The commissioner may prescribe rules ~~it~~ the commissioner considers necessary to carry

out this subdivision except that the commissioner must not create rules purporting to bind the ~~executive board's~~ decision of the commissioner of direct care and treatment on any advisory opinion or recommended order under paragraph (b).

(d) Except as provided in paragraph (e) for matters under the jurisdiction of the ~~executive board~~ commissioner of direct care and treatment, the order of the commissioner binds the local agency involved and the applicant or recipient. That agency shall comply with the order unless reversed on appeal as provided in section 256.045, subdivision 7. The agency shall comply with the order pending the appeal.

(e) For disputes regarding financial responsibility relating to matters under the jurisdiction of the ~~Direct Care and Treatment executive board~~ commissioner of direct care and treatment, the order of the ~~executive board~~ commissioner of direct care and treatment binds the local agency involved and the applicant or recipient. That agency shall comply with the order of the ~~executive board~~ commissioner of direct care and treatment unless the order is reversed on appeal as provided in section 256.045, subdivision 7. The agency shall comply with the order of the ~~executive board~~ commissioner of direct care and treatment pending the appeal.

Sec. 30. Minnesota Statutes 2024, section 352.91, subdivision 2a, is amended to read:

Subd. 2a. **Special teachers.** "Covered correctional service" also means service rendered by a state employee as a special teacher employed by the Department of Corrections or by the Department of Direct Care and Treatment at a security unit, provided that at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner ~~or executive board~~, unless the person elects to retain the current retirement coverage under Laws 1996, chapter 408, article 8, section 21.

Sec. 31. Minnesota Statutes 2024, section 352.91, subdivision 3c, is amended to read:

Subd. 3c. **Nursing personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility, in the state-operated forensic services program, or in the Minnesota Sex Offender Program that are specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner ~~or executive board~~.

(b) The employment positions are as follows:

(1) registered nurse - senior;

(2) registered nurse;

(3) registered nurse - principal;

(4) licensed practical nurse;

(5) registered nurse advance practice; and

(6) psychiatric advance practice registered nurse.

Sec. 32. Minnesota Statutes 2024, section 352.91, subdivision 3d, is amended to read:

Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or in the state-operated forensic services program specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner ~~or executive board~~.

(b) The employment positions are:

(1) automotive mechanic;

(2) baker;

(3) central services administrative specialist, intermediate;

(4) central services administrative specialist, principal;

(5) chaplain;

(6) chief cook;

(7) clinical program therapist 1;

(8) clinical program therapist 2;

(9) clinical program therapist 3;

(10) clinical program therapist 4;

(11) cook;

(12) cook coordinator;

(13) corrections inmate program coordinator;

(14) corrections transitions program coordinator;

(15) corrections security caseworker;

(16) corrections security caseworker career;

(17) corrections teaching assistant;

(18) delivery van driver;

(19) dentist;

(20) electrician supervisor;

(21) general maintenance worker lead;

(22) general repair worker;

(23) library/information research services specialist;

(24) library/information research services specialist senior;

(25) library technician;

(26) painter lead;

(27) plant maintenance engineer lead;

(28) plumber supervisor;

(29) psychologist 1;

(30) psychologist 3;

(31) recreation therapist;

(32) recreation therapist coordinator;

(33) recreation program assistant;

(34) recreation therapist senior;

(35) sports medicine specialist;

(36) work therapy assistant;

(37) work therapy program coordinator; and

(38) work therapy technician.

Sec. 33. Minnesota Statutes 2024, section 352.91, subdivision 4a, is amended to read:

Subd. 4a. **Process for evaluating and recommending potential employment positions for membership inclusion.** (a) The Department of Corrections and the Department of Direct Care and Treatment must establish a procedure for evaluating periodic requests by department ~~and agency~~ employees for qualification for recommendation by the applicable commissioner ~~or executive board~~ for inclusion of the employment position in the correctional facility or direct care and treatment facility in the correctional retirement plan and for periodically determining employment positions that no longer qualify for continued correctional retirement plan coverage.

(b) The procedure must provide for an evaluation of the extent of the employee's working time spent in direct contact with patients or inmates, the extent of the physical hazard that the employee is routinely subjected to in the course of employment, and the extent of intervention routinely expected of the employee in the event of a facility incident. The percentage of routine direct contact with inmates or patients may not be less than 75 percent.

(c) The applicable commissioner ~~or executive board~~ shall notify the employee of the determination of the appropriateness of recommending the employment position for inclusion in the correctional retirement plan, if the evaluation procedure results in a finding that the employee:

(1) routinely spends 75 percent of the employee's time in direct contact with inmates or patients; and

(2) is regularly engaged in the rehabilitation, treatment, custody, or supervision of inmates or patients.

(d) After providing the affected employee an opportunity to dispute or clarify any evaluation determinations, if the applicable commissioner ~~or executive board~~ determines that the employment position is appropriate for inclusion in the correctional retirement plan, the commissioner ~~or executive board~~ shall forward that recommendation and supporting documentation to the chair of the Legislative Commission on Pensions and Retirement, the chair of the State and Local Governmental Operations Committee of the senate, the chair of the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives, and the executive director of the Legislative Commission on Pensions and Retirement in the form of the appropriate proposed legislation. The recommendation must be forwarded to the legislature before January 15 for the recommendation to be considered in that year's legislative session.

Sec. 34. Minnesota Statutes 2024, section 524.3-801, is amended to read:

524.3-801 NOTICE TO CREDITORS.

(a) Unless notice has already been given under this section, upon appointment of a general personal representative in informal proceedings or upon the filing of a petition for formal appointment of a general personal representative, notice thereof, in the form prescribed by court rule, shall be given under the direction of the court administrator by publication once a week for two successive weeks in a legal newspaper in the county wherein the proceedings are pending giving the name and address of the general personal representative and notifying creditors of the estate to present their claims within four months after the date of the court administrator's notice which is subsequently published or be forever barred, unless they are entitled to further service of notice under paragraph (b) or (c).

(b) The personal representative shall, within three months after the date of the first publication of the notice, serve a copy of the notice upon each then known and identified creditor in the manner provided in paragraph (c). If the decedent or a predeceased spouse of the decedent received assistance for which a claim could be filed under section 246.53, 256B.15, 256D.16, or 261.04, notice to the commissioner of human services or ~~Direct Care and Treatment executive board~~ the commissioner of direct care and treatment, as applicable, must be given under paragraph (d) instead of under this paragraph or paragraph (c). A creditor is "known" if: (i) the personal representative knows that the creditor has asserted a claim that arose during the decedent's life against either the decedent or the decedent's estate; (ii) the creditor has asserted a claim that arose during the decedent's life and the fact is clearly disclosed in accessible financial records known and available to the personal representative; or (iii) the claim of the creditor would be revealed by a reasonably diligent search for creditors of the decedent in accessible financial records known and available to the personal representative. Under this section, a creditor is "identified" if the personal representative's knowledge

of the name and address of the creditor will permit service of notice to be made under paragraph (c).

(c) Unless the claim has already been presented to the personal representative or paid, the personal representative shall serve a copy of the notice required by paragraph (b) upon each creditor of the decedent who is then known to the personal representative and identified either by delivery of a copy of the required notice to the creditor, or by mailing a copy of the notice to the creditor by certified, registered, or ordinary first class mail addressed to the creditor at the creditor's office or place of residence.

(d)(1) Effective for decedents dying on or after July 1, 1997, if the decedent or a predeceased spouse of the decedent received assistance for which a claim could be filed under section 246.53, 256B.15, 256D.16, or 261.04, the personal representative or the attorney for the personal representative shall serve the commissioner of human services or ~~executive board~~ the commissioner of direct care and treatment, as applicable, with notice in the manner prescribed in paragraph (c), or electronically in a manner prescribed by the applicable commissioner ~~or executive board~~, as soon as practicable after the appointment of the personal representative. The notice must state the decedent's full name, date of birth, and Social Security number and, to the extent then known after making a reasonably diligent inquiry, the full name, date of birth, and Social Security number for each of the decedent's predeceased spouses. The notice may also contain a statement that, after making a reasonably diligent inquiry, the personal representative has determined that the decedent did not have any predeceased spouses or that the personal representative has been unable to determine one or more of the previous items of information for a predeceased spouse of the decedent. A copy of the notice to creditors must be attached to and be a part of the notice to the applicable commissioner ~~or executive board~~.

(2) Notwithstanding a will or other instrument or law to the contrary, except as allowed in this paragraph, no property subject to administration by the estate may be distributed by the estate or the personal representative until 70 days after the date the notice is served on the commissioner of human services or ~~executive board~~ commissioner of direct care and treatment as provided in paragraph (c), unless the local agency consents as provided for in clause (6). This restriction on distribution does not apply to the personal representative's sale of real or personal property, but does apply to the net proceeds the estate receives from these sales. The personal representative, or any person with personal knowledge of the facts, may provide an affidavit containing the description of any real or personal property affected by this paragraph and stating facts showing compliance with this paragraph. If the affidavit describes real property, it may be filed or recorded in the office of the county recorder or registrar of titles for the county where the real property is located. This paragraph does not apply to proceedings under sections 524.3-1203 and 525.31, or when a duly authorized agent of a county is acting as the personal representative of the estate.

(3) At any time before an order or decree is entered under section 524.3-1001 or 524.3-1002, or a closing statement is filed under section 524.3-1003, the personal representative or the attorney for the personal representative may serve an amended notice on the commissioner of human services or ~~executive board~~ commissioner of direct care and treatment to add variations or other names of the decedent or a predeceased spouse named in the notice, the name of a predeceased spouse omitted from the notice, to add or correct the date of birth or Social Security number of a decedent or predeceased spouse named in the notice, or to correct any other deficiency in a prior notice. The amended notice must state the decedent's name, date of birth, and Social Security number, the case

name, case number, and district court in which the estate is pending, and the date the notice being amended was served on the applicable commissioner ~~or executive board~~. If the amendment adds the name of a predeceased spouse omitted from the notice, it must also state that spouse's full name, date of birth, and Social Security number. The amended notice must be served on the applicable commissioner ~~or executive board~~ in the same manner as the original notice. Upon service, the amended notice relates back to and is effective from the date the notice it amends was served, and the time for filing claims arising under section 246.53, 256B.15, 256D.16 or 261.04 is extended by 60 days from the date of service of the amended notice. Claims filed during the 60-day period are undischarged and unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The personal representative or any person with personal knowledge of the facts may provide and file or record an affidavit in the same manner as provided for in clause (1).

(4) Within one year after the date an order or decree is entered under section 524.3-1001 or 524.3-1002 or a closing statement is filed under section 524.3-1003, any person who has an interest in property that was subject to administration by the estate may serve an amended notice on the commissioner of human services or ~~executive board~~ commissioner of direct care and treatment to add variations or other names of the decedent or a predeceased spouse named in the notice, the name of a predeceased spouse omitted from the notice, to add or correct the date of birth or Social Security number of a decedent or predeceased spouse named in the notice, or to correct any other deficiency in a prior notice. The amended notice must be served on the applicable commissioner ~~or executive board~~ in the same manner as the original notice and must contain the information required for amendments under clause (3). If the amendment adds the name of a predeceased spouse omitted from the notice, it must also state that spouse's full name, date of birth, and Social Security number. Upon service, the amended notice relates back to and is effective from the date the notice it amends was served. If the amended notice adds the name of an omitted predeceased spouse or adds or corrects the Social Security number or date of birth of the decedent or a predeceased spouse already named in the notice, then, notwithstanding any other laws to the contrary, claims against the decedent's estate on account of those persons resulting from the amendment and arising under section 246.53, 256B.15, 256D.16, or 261.04 are undischarged and unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The person filing the amendment or any other person with personal knowledge of the facts may provide and file or record an affidavit describing affected real or personal property in the same manner as clause (1).

(5) After one year from the date an order or decree is entered under section 524.3-1001 or 524.3-1002, or a closing statement is filed under section 524.3-1003, no error, omission, or defect of any kind in the notice to the commissioner of human services or ~~executive board~~ commissioner of direct care and treatment required under this paragraph or in the process of service of the notice on the applicable commissioner ~~or executive board~~, or the failure to serve the applicable commissioner ~~or executive board~~ with notice as required by this paragraph, makes any distribution of property by a personal representative void or voidable. The distributee's title to the distributed property shall be free of any claims based upon a failure to comply with this paragraph.

(6) The local agency may consent to a personal representative's request to distribute property subject to administration by the estate to distributees during the 70-day period after service of notice on the applicable commissioner ~~or executive board~~. The local agency may grant or deny the request in whole or in part and may attach conditions to its consent as it deems appropriate. When the local

agency consents to a distribution, it shall give the estate a written certificate evidencing its consent to the early distribution of assets at no cost. The certificate must include the name, case number, and district court in which the estate is pending, the name of the local agency, describe the specific real or personal property to which the consent applies, state that the local agency consents to the distribution of the specific property described in the consent during the 70-day period following service of the notice on the applicable commissioner ~~or executive board~~, state that the consent is unconditional or list all of the terms and conditions of the consent, be dated, and may include other contents as may be appropriate. The certificate must be signed by the director of the local agency or the director's designees and is effective as of the date it is dated unless it provides otherwise. The signature of the director or the director's designee does not require any acknowledgment. The certificate shall be prima facie evidence of the facts it states, may be attached to or combined with a deed or any other instrument of conveyance and, when so attached or combined, shall constitute a single instrument. If the certificate describes real property, it shall be accepted for recording or filing by the county recorder or registrar of titles in the county in which the property is located. If the certificate describes real property and is not attached to or combined with a deed or other instrument of conveyance, it shall be accepted for recording or filing by the county recorder or registrar of titles in the county in which the property is located. The certificate constitutes a waiver of the 70-day period provided for in clause (2) with respect to the property it describes and is prima facie evidence of service of notice on the applicable commissioner ~~or executive board~~. The certificate is not a waiver or relinquishment of any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and does not otherwise constitute a waiver of any of the personal representative's duties under this paragraph. Distributees who receive property pursuant to a consent to an early distribution shall remain liable to creditors of the estate as provided for by law.

(7) All affidavits provided for under this paragraph:

(i) shall be provided by persons who have personal knowledge of the facts stated in the affidavit;

(ii) may be filed or recorded in the office of the county recorder or registrar of titles in the county in which the real property they describe is located for the purpose of establishing compliance with the requirements of this paragraph; and

(iii) are prima facie evidence of the facts stated in the affidavit.

(8) This paragraph applies to the estates of decedents dying on or after July 1, 1997. Clause (5) also applies with respect to all notices served on the commissioner of human services before July 1, 1997, under Laws 1996, chapter 451, article 2, section 55. All notices served on the commissioner of human services before July 1, 1997, pursuant to Laws 1996, chapter 451, article 2, section 55, shall be deemed to be legally sufficient for the purposes for which they were intended, notwithstanding any errors, omissions or other defects.

Sec. 35. 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 of direct care and treatment 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.

Sec. 36. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A to the number listed in column B.

Column A	Column B
246B.01, subdivision 2b	246B.01, subdivision 2f
246B.01, subdivision 2c	246B.01, subdivision 2g
246B.01, subdivision 2d	246B.01, subdivision 2h

Sec. 37. **REPEALER.**

Minnesota Statutes 2024, sections 246B.01, subdivision 2; 252.021, subdivision 2; 253.195, subdivision 2; 253B.02, subdivision 7b; 253D.02, subdivision 7a; 254B.01, subdivision 15; 256.045, subdivision 1a; and 256G.02, subdivision 5a, are repealed.

Sec. 38. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 9

DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2024, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (b) and imposed immediately with no opportunity to correct the violation first as follows:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of $500 per violation, in addition to any of the enforcement mechanisms authorized in section 144A.475 for widespread violations;

(3) Level 3, a fine of $3,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(4) Level 4, a fine of $5,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(5) for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of $1,000. A fine of $5,000 may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury; and

(6) the fines in clauses (1) to (4) are increased and immediate fine imposition is authorized for both surveys and investigations conducted.

When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

(b) Correction orders for violations are categorized by both level and scope and fines shall be assessed as follows:

(1) level of violation:

(i) Level 1 is a violation that has no potential to cause more than a minimal impact on the client and does not affect health or safety;

(ii) Level 2 is a violation that did not harm a client's health or safety but had the potential to have harmed a client's health or safety, but was not likely to cause serious injury, impairment, or death;

(iii) Level 3 is a violation that harmed a client's health or safety, not including serious injury, impairment, or death, or a violation that has the potential to lead to serious injury, impairment, or death; and

(iv) Level 4 is a violation that results in serious injury, impairment, or death;

(2) scope of violation:

(i) isolated, when one or a limited number of clients are affected or one or a limited number of staff are involved or the situation has occurred only occasionally;

(ii) pattern, when more than a limited number of clients are affected, more than a limited number of staff are involved, or the situation has occurred repeatedly but is not found to be pervasive; and

(iii) widespread, when problems are pervasive or represent a systemic failure that has affected or has the potential to affect a large portion or all of the clients.

(c) If the commissioner finds that the applicant or a home care provider has not corrected violations by the date specified in the correction order or conditional license resulting from a survey or complaint investigation, the commissioner shall provide a notice of noncompliance with a correction order by email to the applicant's or provider's last known email address. The noncompliance notice must list the violations not corrected.

(d) For every violation identified by the commissioner, the commissioner shall issue an immediate fine pursuant to paragraph (a), clause (6). The license holder must still correct the violation in the time specified. The issuance of an immediate fine can occur in addition to any enforcement mechanism authorized under section 144A.475. The immediate fine may be appealed as allowed under this subdivision.

(e) The license holder must pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies by paying the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(f) A license holder shall promptly notify the commissioner in writing when a violation specified in the order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order, the commissioner may issue a second fine. The commissioner shall notify the license holder by mail to the last known address in the licensing record that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(g) A home care provider that has been assessed a fine under this subdivision has a right to a reconsideration or a hearing under this section and chapter 14.

(h) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder shall be liable for payment of the fine.

(i) In addition to any fine imposed under this section, the commissioner may assess a penalty amount based on costs related to an investigation that results in a final order assessing a fine or other enforcement action authorized by this chapter.

(j) Fines collected under paragraph (a), clauses (1) to (4), shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799. The commissioner must publish on the department's website an annual report on the fines assessed and collected, and how the appropriated money was allocated.

~~(k) Fines collected under paragraph (a), clause (5), shall be deposited in a dedicated special revenue account and appropriated to the commissioner to provide compensation according to~~

~~subdivision 14 to clients subject to maltreatment. A client may choose to receive compensation from this fund, not to exceed $5,000 for each substantiated finding of maltreatment, or take civil action. This paragraph expires July 31, 2021.~~

Sec. 2. Minnesota Statutes 2024, section 144A.4799, is amended to read:

144A.4799 ~~DEPARTMENT OF HEALTH LICENSED~~ HOME CARE ~~PROVIDER~~ AND ASSISTED LIVING ADVISORY COUNCIL.

Subdivision 1. **Membership.** The commissioner of health shall appoint ~~13~~ 14 persons to a home care and assisted living ~~program~~ advisory council consisting of the following:

(1) ~~two~~ four public members as defined in section 214.02 ~~who shall be persons who are currently receiving home care services, persons who have received home care services within five years of the application date, persons who have family members receiving home care services, or persons who have family members who have received home care services within five years of the application date~~, one of whom must be a person who either is receiving or has received home care services preferably within the five years prior to initial appointment, one of whom must be a person who has or had a family member receiving home care services preferably within the five years prior to initial appointment, one of whom must be a person who either is or has been a resident in an assisted living facility preferably within the five years prior to initial appointment, and one of whom must be a person who has or had a family member residing in an assisted living facility preferably within the five years prior to initial appointment;

(2) two Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing;

(4) one member representing the Office of Ombudsman for Long-Term Care;

(5) one member representing the Office of Ombudsman for Mental Health and Developmental Disabilities;

(6) ~~beginning July 1, 2021,~~ one member of a county health and human services or county adult protection office;

(7) two Minnesota assisted living facility licensees representing assisted living facilities and assisted living facilities with dementia care levels of licensure who may be the facility's assisted living director, managerial official, or clinical nurse supervisor;

(8) one organization representing long-term care providers, home care providers, and assisted living providers in Minnesota; and

(9) ~~two public members as defined in section 214.02. One public member shall be a person who either is or has been a resident in an assisted living facility and one public member shall be a person who has or had a family member living in an assisted living facility setting~~ one representative of a

consumer advocacy organization representing individuals receiving long-term care from licensed home care or assisted living providers.

Subd. 2. **Organizations and meetings.** The advisory council shall be organized and administered under section 15.059 with per diems and costs paid within the limits of available appropriations. Meetings will be held quarterly and hosted by the department. Subcommittees may be developed as necessary by the commissioner. Advisory council meetings are subject to the Open Meeting Law under chapter 13D.

Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide advice regarding regulations of Department of Health licensed assisted living and home care providers in this chapter and chapter 144G, including advice on the following:

(1) community standards for home care practices;

(2) enforcement of licensing standards and whether certain disciplinary actions are appropriate;

(3) ways of distributing information to licensees and consumers of .home care and assisted living services defined under chapter 144G;

(4) training standards;

(5) identifying emerging issues and opportunities in home care and assisted living services defined under chapter 144G;

(6) identifying the use of technology in home and telehealth capabilities;

(7) allowable home care licensing modifications and exemptions, including a method for an integrated license with an existing license for rural licensed nursing homes to provide limited home care services in an adjacent independent living apartment building owned by the licensed nursing home; and

(8) recommendations for studies using the data in section 62U.04, subdivision 4, including but not limited to studies concerning costs related to dementia and chronic disease among an elderly population over 60 and additional long-term care costs~~, as described in section 62U.10, subdivision 6~~.

(b) The advisory council shall perform other duties as directed by the commissioner.

(c) The advisory council shall ~~annually~~ make recommendations annually to the commissioner for the purposes of allocating the appropriation in ~~section~~ sections 144A.474, subdivision 11, paragraph ~~(i)~~ (j), and 144G.31, subdivision 8. The commissioner shall act upon the recommendations of the advisory council within one year of the advisory council submitting its recommendations to the commissioner. The recommendations shall address ways the commissioner may improve protection of the public under existing statutes and laws and improve quality of care. The council's recommendations may include but are not limited to special projects or initiatives that:

(1) create and administer training of licensees and ongoing training for their employees to improve clients' and residents' lives, ~~supporting ways that~~ support licensees, ~~can~~ improve and enhance quality care, and ~~ways to~~ provide technical assistance to licensees to improve compliance;

(2) develop and implement information technology and data projects that analyze and communicate information about trends ~~of~~ in violations or lead to ways of improving resident and client care;

(3) improve communications strategies to licensees and the public;

(4) recruit and retain direct care staff;

(5) recommend education related to the care of vulnerable adults in professional nursing programs, nurse aide programs, and home health aide programs; and

(6) ~~other projects or pilots that~~ benefit residents, clients, families, and the public in other ways.

EFFECTIVE DATE. This section is effective July 1, 2025, and the amendments to subdivision 1, clause (1), apply to members whose initial appointment occurs on or after that date.

Sec. 3. Minnesota Statutes 2024, section 144G.31, subdivision 8, is amended to read:

Subd. 8. **Deposit of fines.** Fines collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner for special projects to improve resident quality of care and outcomes in assisted living facilities licensed under this chapter in Minnesota as recommended by the advisory council established in section 144A.4799. The commissioner must publish on the department's website an annual report on the fines assessed and collected, and how the appropriated money was allocated.

Sec. 4. Minnesota Statutes 2024, section 144G.52, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of sections 144G.52 to 144G.55, "termination" means:

(1) a facility-initiated termination of ~~housing provided to the resident under the contract~~ an assisted living contract; or

(2) a facility-initiated termination ~~or nonrenewal~~ of all assisted living services the resident receives from the facility under the assisted living contract.

Sec. 5. Minnesota Statutes 2024, section 144G.52, subdivision 2, is amended to read:

Subd. 2. **Prerequisite to termination of a contract.** (a) Before issuing a notice of termination of an assisted living contract, a facility must schedule and participate in a meeting with the resident and the resident's legal representative and designated representative. The purposes of the meeting are to:

(1) explain in detail the reasons for the proposed termination; and

(2) identify and offer reasonable accommodations or modifications, interventions, or alternatives to avoid the termination or enable the resident to remain in the facility, including but not limited to securing services from another provider of the resident's choosing that may allow the resident to avoid the termination. A facility is not required to offer accommodations, modifications, interventions, or alternatives that fundamentally alter the nature of the operation of the facility.

(b) For a termination pursuant to subdivision 3 or 4, the meeting must be scheduled to take place at least seven days before a notice of termination is issued. The facility must make reasonable efforts to ensure that the resident, legal representative, and designated representative are able to attend the meeting.

(c) For a termination pursuant to subdivision 5, the meeting must be scheduled to take place at least 24 hours before a notice of termination is issued. The facility must make reasonable efforts to ensure that the resident, legal representative, and designated representative are able to attend the meeting. Notice of the meeting must be provided at least 24 hours prior to the meeting.

(d) The facility must notify the resident that the resident may invite family members, relevant health professionals, a representative of the Office of Ombudsman for Long-Term Care, a representative of the Office of Ombudsman for Mental Health and Developmental Disabilities, or other persons of the resident's choosing to participate in the meeting. For residents who receive home and community-based waiver services under chapter 256S and section 256B.49, the facility must notify the resident's case manager of the meeting.

~~(d)~~ (e) In the event of an emergency relocation under subdivision 9, where the facility intends to issue a notice of termination and an in-person meeting is impractical or impossible, the facility must use telephone, video, or other electronic means to conduct and participate in the meeting required under this subdivision and rules within Minnesota Rules, chapter 4659.

Sec. 6. Minnesota Statutes 2024, section 144G.52, subdivision 3, is amended to read:

Subd. 3. **Termination for nonpayment.** (a) A facility may initiate a termination of ~~housing~~ an assisted living contract because of nonpayment of rent or a termination of services because of nonpayment for services. Upon issuance of a notice of termination for nonpayment, the facility must inform the resident that public benefits may be available and must provide contact information for the Senior LinkAge Line under section 256.975, subdivision 7, or the Disability Hub under section 256.01, subdivision 24.

(b) An interruption to a resident's public benefits that lasts for no more than 60 days does not constitute nonpayment.

Sec. 7. Minnesota Statutes 2024, section 144G.52, subdivision 5, is amended to read:

Subd. 5. **Expedited termination.** ~~(a)~~ A facility may initiate an expedited termination of ~~housing or services~~ an assisted living contract, including both the housing and assisted living services provided thereunder, or of assisted living services if:

(1) the resident has engaged in conduct that substantially interferes with the rights, health, or safety of other residents;

(2) the resident has engaged in conduct that substantially and intentionally interferes with the safety or physical health of facility staff; ~~or~~

(3) the resident has committed an act listed in section 504B.171 that substantially interferes with the rights, health, or safety of other residents~~.~~;

~~(b) A facility may initiate an expedited termination of services if:~~

~~(1) the resident has engaged in conduct that substantially interferes with the resident's health or safety;~~

~~(2)~~ (4) the resident's assessed needs exceed the scope of services agreed upon in the assisted living contract and are not included in the services the facility disclosed in the uniform checklist; or

~~(3)~~ (5) extraordinary circumstances exist, causing the facility to be unable to provide the resident with the services disclosed in the uniform checklist that are necessary to meet the resident's needs.

Sec. 8. Minnesota Statutes 2024, section 144G.52, subdivision 7, is amended to read:

Subd. 7. **Notice of contract termination required.** (a) A facility terminating a contract must issue a written notice of termination according to this section. The facility must also send a copy of the termination notice to the Office of Ombudsman for Long-Term Care and, for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, to the resident's case manager, as soon as practicable after providing notice to the resident. A facility may terminate an assisted living contract only as permitted under subdivisions 3, 4, and 5.

(b) A facility terminating a contract under subdivision 3 or 4 must provide a written termination notice at least 30 days before the effective date of the termination to the resident, legal representative, and designated representative.

(c) A facility terminating a contract under subdivision 5 must provide a written termination notice at least ~~15~~ seven days before the effective date of the termination to the resident, legal representative, and designated representative.

(d) If a resident moves out of a facility or cancels services received from the facility, nothing in this section prohibits a facility from enforcing against the resident any notice periods with which the resident must comply under the assisted living contract.

Sec. 9. Minnesota Statutes 2024, section 144G.52, subdivision 8, is amended to read:

Subd. 8. **Content of notice of termination.** (a) The notice required under subdivision 7 must contain, at a minimum:

(1) the effective date of the termination of the assisted living contract;

(2) a detailed explanation of the basis for the termination, including the clinical or other supporting rationale;

(3) a detailed explanation of the conditions under which a new or amended contract may be executed;

(4) a statement that the resident has the right to appeal the termination by requesting a hearing, and information concerning the time frame within which the request must be submitted and the contact information for the agency to which the request must be submitted;

(5) a statement that the facility must participate in a coordinated move to another provider or caregiver, as required under section 144G.55;

(6) the name and contact information of the person employed by the facility with whom the resident may discuss the notice of termination;

(7) information on how to contact the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities to request an advocate to assist regarding the termination;

(8) information on how to contact the Senior LinkAge Line under section 256.975, subdivision 7, or the Disability Hub under section 256.01, subdivision 24, and an explanation that the Senior LinkAge Line and the Disability Hub may provide information about other available housing or service options; and

(9) if the termination is only for services, a statement that the resident may remain in the facility and may secure any necessary services from another provider of the resident's choosing.

(b) When a facility used good faith efforts to substantially comply with the content or timing requirements of this subdivision or corresponding rules, and the noncompliance did not prejudice the resident, a failure to comply does not invalidate the termination process and is not permissible grounds for appeal of a termination under section 144G.54, subdivision 2.

Sec. 10. Minnesota Statutes 2024, section 144G.52, subdivision 9, is amended to read:

Subd. 9. **Emergency relocation.** (a) A facility may remove a resident from the facility in an emergency if necessary due to a resident's urgent medical needs or an imminent risk the resident poses to the health or safety of another facility resident or facility staff member. An emergency relocation is not a termination. An emergency relocation does not occur when a resident or the resident's representative requests or consents to be transported to the emergency room or hospital regardless of whether the facility initiates communications regarding the need to relocate the resident.

(b) In the event of an emergency relocation, the facility must provide a written notice that contains, at a minimum:

(1) the reason for the relocation;

(2) the name and contact information for the location to which the resident has been relocated and any new service provider;

(3) contact information for the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(4) if known and applicable, the approximate date or range of dates within which the resident is expected to return to the facility, or a statement that a return date is not currently known; and

(5) a statement that, if the facility refuses to provide housing or services after a relocation, the resident has the right to appeal under section 144G.54. The facility must provide contact information for the agency to which the resident may submit an appeal.

(c) The notice required under paragraph (b) must be delivered as soon as practicable to:

(1) the resident, legal representative, and designated representative;

(2) for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, the resident's case manager; and

(3) the Office of Ombudsman for Long-Term Care if the resident has been relocated and has not returned to the facility within four days.

(d) Following an emergency relocation, a facility's refusal to provide housing or services constitutes a termination and triggers the termination process in this section.

(e) In the event of an emergency relocation during which a resident is removed by law enforcement, ambulance personnel, or other first responders, the notice required under paragraph (b) may be provided retroactively but in no event no more than 72 hours after the emergency relocation.

Sec. 11. Minnesota Statutes 2024, section 144G.52, subdivision 10, is amended to read:

Subd. 10. **Right to return.** (a) If a resident is absent from a facility for any reason, including an emergency relocation, the facility shall not refuse to allow a resident to return if a termination of ~~housing~~ the assisted living contract has not been effectuated.

(b) Notwithstanding paragraph (a), a facility may refuse to allow a resident to return if:

(1) another resident or employee of the facility has obtained a harassment restraining order, order for protection, or similar court order seeking to protect them from the resident; or

(2) the resident has been charged with a crime where the alleged victim is another resident or employee of the facility.

Sec. 12. Minnesota Statutes 2024, section 144G.53, is amended to read:

144G.53 ~~NONRENEWAL OF HOUSING~~ ASSISTED LIVING CONTRACT NONRENEWAL.

(a) If a facility decides to not renew a resident's ~~housing under a contract~~ assisted living contract, including both the housing and assisted living services provided thereunder, 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. A facility may not decline to renew only the assisted living services provided to a resident under the resident's assisted living contract.

(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;

(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;

(3) ensure a coordinated move to a safe location, as defined in section 144G.55, subdivision 2, that is appropriate for the resident;

(4) ensure a coordinated move to an appropriate service provider identified by the facility, if services are still needed and desired by the resident;

(5) 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) prepare a written plan to prepare for the move.

(d) 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. 13. Minnesota Statutes 2024, section 144G.54, subdivision 2, is amended to read:

Subd. 2. **Permissible grounds to appeal termination.** (a) A resident may appeal a termination initiated under section 144G.52, subdivision 3, 4, or 5, on the ground that:

(1) there is a factual dispute as to whether the facility had a permissible basis to initiate the termination;

(2) the termination would result in great harm or the potential for great harm to the resident as determined by the totality of the circumstances, except in circumstances where there is a greater risk of harm to other residents or staff at the facility;

(3) the resident has cured or demonstrated the ability to cure the reasons for the termination, or has identified a reasonable accommodation or modification, intervention, or alternative to the termination; or

(4) the facility has terminated the contract in violation of state or federal law.

(b) When submitting an appeal, a resident must specify which permissible grounds under paragraph (a) are grounds for the appeal.

(c) The resident or resident's representative must provide the facility a copy of all appeals within three calendar days of filing them.

Sec. 14. Minnesota Statutes 2024, section 144G.54, subdivision 3, is amended to read:

Subd. 3. **Appeals process.** (a) The Office of Administrative Hearings must conduct an expedited hearing as soon as practicable under this section, but in no event later than 14 calendar days after the office receives the request, unless the parties agree otherwise or the chief administrative law judge deems the timing to be unreasonable, given the complexity of the issues presented. For terminations initiated pursuant to section 144G.52, subdivision 5, the Office of Administrative Hearings must conduct an expedited hearing as soon as practicable but in no event later than seven calendar days after the office receives the request.

(b) The hearing must be held at the facility where the resident lives, unless holding the hearing at that location is impractical, the parties agree to hold the hearing at a different location, or the chief administrative law judge grants a party's request to appear at another location or by telephone or interactive video.

(c) The hearing is not a formal contested case proceeding, except when determined necessary by the chief administrative law judge.

(d) Parties may but are not required to be represented by counsel. The appearance of a party without counsel does not constitute the unauthorized practice of law.

(e) Parties may provide the administrative law judge relevant evidence in the form of in-person or sworn written testimony, including that of other residents of the facility, representatives of other residents of the facility, facility staff, or individuals representing the interests of other residents of the facility.

(f) The hearing shall be limited to the amount of time necessary for the participants to expeditiously present the facts about the proposed termination. The administrative law judge shall issue a recommendation to the commissioner as soon as practicable, but in no event later than ten business days after the hearing related to a termination issued under section 144G.52, subdivision 3 or 4, or five business days for a hearing related to a termination issued under section 144G.52, subdivision 5.

Sec. 15. Minnesota Statutes 2024, section 144G.54, subdivision 7, is amended to read:

Subd. 7. **Application of chapter 504B to appeals of terminations.** A resident may not bring an action under chapter 504B to challenge a termination that has occurred and ~~been upheld under this section~~ for which an appeal under this section was not requested or for which an appeal under this section was requested, but the termination was upheld in accordance with this section. If a facility prevails in a challenged termination under this section, the facility is entitled to a writ of recovery and order to vacate pursuant to section 504B.361.

Sec. 16. Minnesota Statutes 2024, section 144G.55, subdivision 1, is amended to read:

Subdivision 1. **Duties of facility.** (a) If a facility terminates an assisted living contract, reduces services to the extent that a resident needs to move or obtain a new service provider or the facility has its license restricted under section 144G.20, or the facility conducts a planned closure under section 144G.57, the facility:

(1) must ensure, subject to paragraph (c), a coordinated move to a safe location that is appropriate for the resident and that is identified by the facility prior to any hearing under section 144G.54;

(2) must ensure a coordinated move of the resident to an appropriate service provider identified by the facility prior to any hearing under section 144G.54, provided services are still needed and desired by the resident; and

(3) must 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.

(b) A facility may satisfy the requirements of paragraph (a), clauses (1) and (2), by moving the resident to a different location within the same facility, if appropriate for the resident.

(c) 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 choose instead 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 termination notice.

(d) A facility has met its obligations under this section, following a termination completed in accordance with section 144G.52 if:

(1) for residents receiving services under the home and community-based waiver services for the elderly under chapter 256S, waivered services under community access for disability inclusion waiver under section 256B.49, or the brain injury waivered services under section 256B.49, the resident or the resident's designated representative reject two or more options presented by the lead agency or the resident's waiver case manager; or

(2) for all other residents, the resident or the resident's designated representative reject two or more other facilities that are able to meet the individual's service needs, have an immediate opening, and are located within a reasonable geographic proximity. The absence of nearby facilities able to meet the individual's service needs and with immediate openings may increase what may be considered a reasonable geographic proximity.

(e) Sixty days before the facility plans to reduce or eliminate one or more services for a particular resident, the facility must provide written notice of the reduction that includes:

(1) a detailed explanation of the reasons for the reduction and the date of the reduction;

(2) the contact information for the Office of Ombudsman for Long-Term Care, the Office of Ombudsman for Mental Health and Developmental Disabilities, and the name and contact information of the person employed by the facility with whom the resident may discuss the reduction of services;

(3) a statement that if the services being reduced are still needed by the resident, the resident may remain in the facility and seek services from another provider; and

(4) a statement that if the reduction makes the resident need to move, the facility must participate in a coordinated move of the resident to another provider or caregiver, as required under this section.

~~(e)~~ (f) In the event of an unanticipated reduction in services caused by extraordinary circumstances, the facility must provide the notice required under paragraph ~~(d)~~ (e) as soon as possible.

~~(f)~~ (g) If the facility, a resident, a legal representative, or a designated representative determines that a reduction in services will make a resident need to move to a new location, the facility must ensure a coordinated move in accordance with this section, and must provide notice to the Office of Ombudsman for Long-Term Care.

~~(g)~~ (h) Nothing in this section affects a resident's right to remain in the facility and seek services from another provider.

Sec. 17. Minnesota Statutes 2024, section 144G.55, subdivision 2, is amended to read:

Subd. 2. **Safe location.** A safe location is not a private home where the occupant is unwilling or unable to care for the resident, a homeless shelter, a hotel, or a motel. A facility may not terminate a resident's housing or services if the resident will, as the result of the termination, become homeless, as that term is defined in section 116L.361, subdivision 5, or if an adequate and safe discharge location or adequate and needed service provider has not been identified, unless the resident declines to move to the identified safe location or needed service provider or chooses to become homeless. This subdivision does not preclude a resident from declining to move to the location the facility identifies.

Sec. 18. **DIRECTION TO COMMISSIONER; PROVISIONAL OR TRANSITIONAL LICENSURE.**

(a) The commissioner of human services and the commissioner of health must convene a group of interested parties to examine the relationship between the costs incurred to comply with the licensing requirements under Minnesota Statutes, chapter 144G, and reimbursement rates for providing customized living services under Minnesota Statutes, chapter 256S, and section 256B.4914, subdivision 6d. The commissioners must include among the interested parties the Long-Term Care Imperative, the Residential Providers Association of Minnesota, the Minnesota Association of County Social Service Administrators, and people with disabilities currently receiving customized living services under the federally approved brain injury, community access for disability inclusion, and elderly waiver plans.

(b) The commissioners of human services and health must develop draft legislative language to better align the licensing requirements and reimbursement framework so that the costs incurred to comply with licensing requirements and fees are adequately reimbursed through the rates paid for providing customized living services.

(c) The commissioners must submit the draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 1, 2026.

Sec. 19. **DIRECTION TO THE COMMISSIONER OF HEALTH; COMMUNITY CARE HUB GRANT.**

Subdivision 1. **Establishment.** The commissioner of health shall establish a single grant to expand and strengthen the community care hub model in Minnesota by organizing and supporting a network of health and social care service providers to address health-related social needs.

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

(b) "Community-based organization" means a public or private nonprofit organization of demonstrated effectiveness that is representative of a community or significant segments of a community and provides services that address the social drivers of health, education, or related services to individuals in the community.

(c) "Community care hub" means a nonprofit organization that provides a centralized administrative and operational interface between health care institutions and a network of community-based organizations that provide health promotion and social care services.

(d) "Health-related social needs" means the individual-level, adverse social conditions that can negatively impact a person's health or health care, such as poor health literacy, food insecurity, housing instability, and lack of access to transportation.

(e) "Social care services" means culturally informed services to address health-related social needs and community-informed health promotion programs.

Subd. 3. **Eligible applicants.** To be eligible for the single grant available under this section, a grant applicant must:

(1) be recognized as a selected community care hub by the federal Administration for Community Living and the Centers for Disease Control and Prevention;

(2) be the recipient of the community care hub planning grant under Laws 2024, chapter 127, article 53, section 3, subdivision 2, paragraph (a);

(3) hold contracts with health plans within Minnesota that allow the applicant to provide social care services to a plan's covered member population; and

(4) demonstrate active engagement in providing, coordinating, and aiding health care and social care services at the community level.

Subd. 4. **Eligible uses.** The grantee must use awarded money to:

(1) engage and organize community-based organizations to deliver social care services;

(2) expand the reach and scope of social care services;

(3) centralize administrative functions and operational infrastructure of community care hubs related to:

(i) contracting with health care organizations;

(ii) payment operations;

(iii) management of referrals, including reporting on the outcome of the services and the specific help provided;

(iv) service delivery fidelity and compliance;

(v) quality improvement;

(vi) technology;

(vii) information security; and

(viii) data collection, data analysis, and reporting;

(4) create sustainable financial pathways for services that address health-related social needs throughout the state of Minnesota; and

(5) support tracking of the financial pathways and the services provided.

Subd. 5. **Grantee report.** The grantee must report community care hub initiative outcomes as determined by the commissioner of health to the commissioner on the forms and according to the timelines established by the commissioner.

Subd. 6. **Evaluation.** The commissioner of health shall design, conduct, and evaluate the community care hub initiative implemented by the grantee using measures to assess cost savings, impact, and health impact outcomes.

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

ARTICLE 10

MISCELLANEOUS

Section 1. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~ 2026, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Sec. 2. Laws 2024, chapter 127, article 49, section 9, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** The Mentally Ill and Dangerous Civil Commitment Reform Task Force is established to:

(1) evaluate current statutes related to mentally ill and dangerous civil commitments ~~and~~;

(2) evaluate current statutes related to the process by which a former patient may seek an order to expunge or vacate a prior commitment order; and

(3) develop recommendations to optimize the use of state-operated mental health resources and increase equitable access and outcomes for patients.

Sec. 3. Laws 2024, chapter 127, article 49, section 9, is amended by adding a subdivision to read:

Subd. 7a. **Duties; expungements and vacaturs.** The task force must:

(1) analyze current trends in civil commitments, expungements, and vacaturs, including but not limited to the frequency of expungements and vacaturs in Minnesota as compared to other jurisdictions;

(2) review national practices and criteria for expunging and vacating civil commitment orders;

(3) develop recommended statutory changes necessary to provide clear direction to former patients who are seeking to file a motion to expunge or vacate a civil commitment;

(4) develop recommended statutory changes necessary to provide clear direction, criteria to apply, and evidentiary standards to the courts when considering a motion from a former patient to expunge or vacate a civil commitment; and

(5) develop recommended statutory changes to provide clear direction to former patients and the courts to address situations in which an individual is civilly committed and is later determined to not have an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory.

Sec. 4. Laws 2024, chapter 127, article 49, section 9, subdivision 8, is amended to read:

Subd. 8. **Report required.** (a) By August 1, 2025, the task force shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over mentally ill and dangerous civil commitments a written report that includes the outcome of the duties in subdivision 7, including but not limited to recommended statutory changes.

(b) By August 1, 2026, the task force shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over civil commitments a written report that includes the outcome of the duties in subdivision 7a, including but not limited to recommended statutory changes.

Sec. 5. Laws 2024, chapter 127, article 49, section 9, subdivision 9, is amended to read:

Subd. 9. **Expiration.** The task force expires January 1, ~~2026~~ 2027.

ARTICLE 11

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of human services 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. **TOTAL APPROPRIATION**	**$ 7,767,480,000**	**$ 7,917,705,000**

Subdivision 1. **Appropriations by Fund**

	Appropriations by Fund	
	2026	2027
General	7,765,519,000	7,915,516,000
Lottery Prize	1,733,000	1,733,000
State Government Special Revenue Fund	228,000	456,000

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

Subd. 2. **Information Technology Appropriations**

(a) **IT Appropriations Generally**

This appropriation includes money for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service-level agreement and paid to Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(b) **Receipts for Systems Project**

Appropriations and federal receipts for information technology systems projects for MMIS and METS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services deems necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

Sec. 3. **CENTRAL OFFICE; OPERATIONS**	**$**	**3,452,000**	**$**	**4,056,000**

The general fund base for this section is $2,435,000 in fiscal year 2028 and $2,251,000 in fiscal year 2029.

Sec. 4. **CENTRAL OFFICE; HEALTH CARE**	**$**	**887,000**	**$**	**1,017,000**

Sec. 5. **CENTRAL OFFICE; AGING AND DISABILITY SERVICES**	**$**	**4,981,000**	**$**	**3,022,000**

Subdivision 1. **Provisional or Transitional Approval of Integrated Community Services Settings**

$150,000 in fiscal year 2026 is to develop draft legislative language to improve the process for approving integrated community support settings. This is a onetime appropriation.

Subd. 2. **Positive Supports Competency Program**

$1,000,000 in fiscal year 2026 is for the positive supports competency program. This is a onetime appropriation and is available until June 30, 2029.

Subd. 3. **Cost Reporting Improvement and Direct Care Staff Review**

$150,000 in fiscal year 2026 is to complete a cost reporting improvement study and direct care staffing review. This is a onetime appropriation.

Subd. 4. **Assisted Living Licensure and Disability Waiver Rate Study And Draft Legislation**

$100,000 in fiscal year 2026 is to complete a study on assisted living licensure and disability waiver reimbursement rates and to draft proposed legislation. This is a onetime appropriation.

Subd. 5. **Base Level Adjustment**

The general fund base for this section is $3,164,000 in fiscal year 2028 and $3,164,000 in fiscal year 2029.

Sec. 6. **CENTRAL OFFICE; BEHAVIORAL HEALTH** **$ 193,000 $ 244,000**

Subdivision 1. **Substance Use Disorder Treatment Staff Report and Recommendations**

$100,000 in fiscal year 2026 and $50,000 in fiscal year 2027 are for a substance use disorder treatment staff report and recommendations. This is a onetime appropriation.

Subd. 2. **Base Level Adjustment**

The general fund base for this section is $194,000 in fiscal year 2028 and $194,000 in fiscal year 2029.

Sec. 7. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL** **$ 4,113,000 $ 4,853,000**

Subdivision 1. **Appropriations by Fund**

	Appropriations by Fund	
	2026	2027
General	3,885,000	4,397,000

State Government
Special Revenue 228,000 456,000

Subd. 2. **Base Level Adjustment**

The general fund base for this section is $4,396,000 in fiscal year 2028 and $4,396,000 in fiscal year 2029.

Sec. 8. **FORECASTED PROGRAMS; HOUSING SUPPORT**	**$ 180,000**	**$ 180,000**
Sec. 9. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE**	**$ 7,440,006,000**	**$ 7,652,756,000**
Sec. 10. **FORECASTED PROGRAMS; ALTERNATIVE CARE**	**$ 55,694,000**	**$ 56,354,000**

Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

Sec. 11. **FORECASTED PROGRAMS; BEHAVIORAL HEALTH FUND**	**$ 138,575,000**	**$ 118,318,000**
Sec. 12. **GRANT PROGRAMS; CHILD AND COMMUNITY SERVICE GRANTS**	**$ (5,155,000)**	**$ (5,155,000)**

Seeds Worth Sowing

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for a grant to Seeds Worth Sowing to provide culturally specific supports for African American Native and African immigrant mothers, children, and families in Minnesota. Money must be used to deliver family-centered, community-based services that promote early intervention, caregiver support, health and developmental well-being, and connection to home and community-based services. Activities may include culturally grounded parenting education, caregiver training, peer support, and programs that strengthen family stability, child development, and community connectedness. Priority must be given to

programs serving families impacted by poverty, disability, or systemic barriers to care.

Sec. 13. **GRANT PROGRAMS; OTHER LONG-TERM CARE GRANTS** **$ 3,197,000 $ 1,925,000**

Subdivision 1. **Health Awareness Hub Pilot Project**

$450,000 in fiscal year 2026 is for a payment to the Organization for Liberians in Minnesota for a health awareness hub pilot project. The pilot project must seek to address health care education and the physical and mental wellness needs of elderly individuals within the African immigrant community by offering culturally relevant support, resources, and preventive care education from medical practitioners who have a similar background and by making appropriate referrals to culturally competent programs, supports, and medical care. Within six months of the conclusion of the pilot project, the Organization for Liberians in Minnesota must provide the commissioner with an evaluation of the project as determined by the commissioner. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Home and Community-Based Services Incentive Pool**

$2,747,000 in fiscal year 2026 and $1,925,000 in fiscal year 2027 are for the home and community-based services incentive pool under Minnesota Statutes, section 256B.0921.

Sec. 14. **GRANT PROGRAMS; AGING AND ADULT SERVICES GRANTS** **$ 43,880,000 $ 43,631,000**

Subdivision 1. **Age-Friendly Community Grants**

$882,000 in fiscal year 2026 and $882,000 in fiscal year 2027 are for age-friendly community grants under Minnesota Statutes, section 256.9747, subdivision 1.

Subd. 2. **Age-Friendly Technical Assistance Grants**

$507,000 in fiscal year 2026 and $507,000 in fiscal year 2027 are for age-friendly technical assistance grants under Minnesota Statutes, section 256.9747, subdivision 2.

Subd. 3. **Minnesota Board on Aging**

$1,575,000 in fiscal year 2026 and $1,575,000 in fiscal year 2027 are for the Minnesota Board on Aging under Minnesota Statutes, section 256.975, to add 18 additional staff positions for the area agencies on aging contact centers to support senior LinkAge Line operations.

Subd. 4. **Boundary Waters Care Center**

$250,000 in fiscal year 2026 is for a sole-source grant to Boundary Waters Care Center in Ely, Minnesota. This is a onetime appropriation.

Subd. 5. **Dementia Grants**

$750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are for regional and local dementia grants administered by the Minnesota Board on Aging under Minnesota Statutes, section 256.975, subdivision 11.

Subd. 6. **Senior Dining Program**

$400,000 in fiscal year 2026 and $400,000 in fiscal year 2027 are for a grant to Catholic Charities of the Diocese of St. Cloud to operate its senior dining program.

Subd. 7. **Long-Term Care Consultation Services Grants**

$1,739,000 in fiscal year 2026 and $1,739,000 in fiscal year 2027 are for grants for long-term care consultation services under Minnesota Statutes, section 256B.0911, and long-term care options counseling under Minnesota Statutes, section 256.975, subdivision 7.

Subd. 8. **Prescription Drug Assistance Program**

$1,191,000 in fiscal year 2026 and $1,191,000 in fiscal year 2027 are for a grant to the Board on Aging for the prescription drug assistance program under Minnesota Statutes, section 256.975, subdivision 9.

Subd. 9. **Core Home and Community-Based Service Projects**

$1,585,000 in fiscal year 2026 and $1,585,000 in fiscal year 2027 are for core home and community-based service projects under Minnesota Statutes, section 256.9754, subdivision 3d.

Subd. 10. **Caregiver Support and Respite Care Projects**

$479,000 in fiscal year 2026 and $479,000 in fiscal year 2027 are for caregiver support and respite care projects under Minnesota Statutes, section 256.9754, subdivision 3c.

Subd. 11. **Community Services Development Grants**

$2,980,000 in fiscal year 2026 and $2,980,000 in fiscal year 2027 are for community services development grants under Minnesota Statutes, section 256.9754, subdivision 3.

Subd. 12. **Community Service Grants**

$3,128,000 in fiscal year 2026 and $3,128,000 in fiscal year 2027 are for community service grants under Minnesota Statutes, section 256.9754, subdivision 3e.

Subd. 13. **Customized Living Quality Improvement Grants**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are for customized living quality improvement grants under Minnesota Statutes, section 256.479.

Subd. 14. **Regional and Local Dementia Grants**

$750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are for regional and local dementia grants under Minnesota Statutes, section 256.975, subdivision 11.

Subd. 15. **Eldercare Development Partnerships**

$1,758,000 in fiscal year 2026 and $1,758,000 in fiscal year 2027 are for eldercare development partnerships under Minnesota Statutes, section 256B.0917, subdivision 1c.

Subd. 16. **Gaps Analysis**

$218,000 in fiscal year 2026 and $218,000 in fiscal year 2027 are for analysis of gaps in long-term care services under Minnesota Statutes, section 144A.351.

Subd. 17. **Consumer Information and Assistance**

$3,449,000 in fiscal year 2026 and $3,449,000 in fiscal year 2027 are for a grant to the Board on Aging to provide information and assistance services under Minnesota Statutes, section 256.975, subdivision 7.

Subd. 18. **Minnesota Adult Abuse Reporting**

$1,819,000 in fiscal year 2026 and $1,819,000 in fiscal year 2027 are for a grant to the Minnesota Board on Aging to handle all reports of adult abuse for older adults and people with disabilities in various care settings.

Subd. 19. **Return to Community Services**

$9,341,000 in fiscal year 2026 and $9,341,000 in fiscal year 2027 are for a grant to the Board on Aging for return to community services under Minnesota Statutes, section 256.975, subdivision 7.

Subd. 20. **Preadmission Screening**

$817,000 in fiscal year 2026 and $817,000 in fiscal year 2027 are for a grant to the

Board on Aging for preadmission screening under Minnesota Statutes, section 256.975, subdivisions 7a to 7d.

Subd. 21. **Direct Support Connect**

$236,000 in fiscal year 2026 and $236,000 in fiscal year 2027 are for a grant to the Board on Aging for activities supporting Direct Support Connect.

Subd. 22. **Self-Directed Caregiver Grants**

$477,000 in fiscal year 2026 and $477,000 in fiscal year 2027 are for self-directed caregiver grants under Minnesota Statutes, section 256.975, subdivision 12.

Subd. 23. **Senior Nutrition Program**

$2,695,000 in fiscal year 2026 and $2,695,000 in fiscal year 2027 are for the senior nutrition program under Minnesota Statutes, section 256.9752. The general fund base for senior nutrition programs under Minnesota Statutes, section 256.9752, is increased by $125,000 for fiscal year 2028 and by $125,000 for fiscal year 2029.

Subd. 24. **Senior Volunteer Programs**

$1,988,000 in fiscal year 2026 and $1,988,000 in fiscal year 2027 are for volunteer programs for retired senior citizens under Minnesota Statutes, section 256.9753; the foster grandparents program under Minnesota Statutes, section 256.976; and the senior companion program under Minnesota Statutes, section 256.977.

Subd. 25. **Adult Protection Grants**

$866,000 in fiscal year 2026 and $867,000 in fiscal year 2027 are for adult protection grants to counties and Tribes under Minnesota Statutes, section 256M.42.

Subd. 26. **Base Level Adjustment**

The general fund base for this section is $43,756,000 in fiscal year 2028 and $43,756,000 in fiscal year 2029.

Sec. 15. **DEAF, DEAFBLIND, AND HARD OF HEARING GRANTS** **$ 2,886,000 $ 2,886,000**

Subdivision 1. **Community Support Services**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are for grants under Minnesota Statutes, section 256.01, subdivision 2, for community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

Subd. 2. **Hearing Loss Mentors**

$40,000 in fiscal year 2026 and $40,000 in fiscal year 2027 are to provide mentors who have a hearing loss to parents of newly identified infants and children with hearing loss.

Subd. 3. **DeafBlind Programs, Services, and Supports Grants**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are for grants under Minnesota Statutes, section 256C.233, for programs, services, and supports for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing in identified areas of need such as deafblind services, family services, interpreting services, linguistically and culturally appropriate mental health services, and culturally affirmative psychiatric services.

Subd. 4. **Services for People Who Are Deafblind**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are for grants under Minnesota Statutes, section 256C.261, for services for people who are deafblind.

Sec. 16. **GRANT PROGRAMS; DISABILITY GRANTS** **$ 68,415,000 $ 28,793,000**

Subdivision 1. **Self-Directed Bargaining Agreement; Orientation Start-Up Funds**

$3,000,000 in fiscal year 2026 is for orientation program start-up costs as defined by the SEIU collective bargaining agreement. This is a onetime appropriation.

Subd. 2. **Self-Directed Bargaining Agreement; Orientation Ongoing Funds**

$2,000,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for ongoing costs related to the orientation program as defined by the SEIU collective bargaining agreement.

Subd. 3. **Self-Directed Bargaining Agreement; Training Stipends**

$2,250,000 in fiscal year 2026 is for onetime stipends of $750 for collective bargaining unit members for training. This is a onetime appropriation.

Subd. 4. **Self-Directed Bargaining Agreement; Retirement Trust Funds**

$350,000 in fiscal year 2026 is for a vendor to create a retirement trust, as defined by the SEIU collective bargaining agreement. This is a onetime appropriation.

Subd. 5. **Self-Directed Bargaining Agreement; Health Care Stipends**

$30,750,000 in fiscal year 2026 is for stipends of $1,200 for each collective bargaining unit member for retention and defraying any health insurance costs the member may incur. Stipends are available once per fiscal year per member for fiscal year 2026 and fiscal year 2027. Of this amount, $30,000,000 in fiscal year 2026 is for stipends and $750,000 in fiscal year 2026 is for administration. This is a onetime appropriation and is available until June 30, 2027.

Subd. 6. **Disability Services Technology And Advocacy Expansion Grant**

(a) $226,000 in fiscal year 2026 and $220,000 in fiscal year 2027 are for the disability services technology and advocacy expansion grant under Minnesota Statutes, section 256.4768. The general fund base for this purpose is $220,000 in fiscal year 2028, $220,000 in fiscal year 2029, $220,000 in fiscal year 2030, and $0 in fiscal year 2031.

(b) This subdivision expires June 30, 2030.

Subd. 7. **Disability Inclusion Pilot Project**

(a) $1,000,000 in fiscal year 2026 is for a payment to Lifeworks Services, Inc., for a statewide disability inclusion pilot project. This is a onetime appropriation.

(b) The pilot project must:

(1) persuade employers to diversify their workforces by hiring people with disabilities;

(2) educate businesses on the economic benefits of inclusive employment and provide coaching on affordable accommodations;

(3) educate Minnesotans with disabilities and their families on navigating services and achieving inclusion in both work and community settings;

(4) build capacity and support for culturally specific services by rural, Black, Indigenous, or People of Color entrepreneurs;

(5) pilot community-requested support services;

(6) invest in safe community-focused spaces to host trainings and requested support services; and

(7) launch a statewide disability inclusion assessment for businesses and community spaces to improve accessibility and inclusion.

(c) The pilot project must reach all six Minnesota planning areas to ensure equal access to the pilot project activities in rural and Tribal regions.

Subd. 8. **Family Residential Service Provider Grants**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for grants to providers of family residential services reimbursed under Minnesota Statutes, section 256B.4914, who demonstrate in a form and manner determined by the commissioner of human services that the total net income of the family residential service provider is not generating sufficient revenue to cover the operating expenses of the provider incurred on or after January 1, 2026, and the family foster care setting is financially distressed and at risk of closure. This is a onetime appropriation and is available until June 30, 2029.

Subd. 9. **Minnesota Ethnic Providers Network**

(a) $239,000 in fiscal year 2026 is for a grant to the Minnesota Ethnic Providers Network to:

(1) develop curriculum for a pretraining program tailored to the educational needs of potential direct support professionals;

(2) provide workforce readiness training for individuals entering the field of direct care and support services;

(3) expand recruitment efforts to increase direct support professional workforce capacity, particularly among diverse and underrepresented communities; and

(4) collaborate with community-based organizations, educational institutions, and providers to support the long-term development of the direct support professionals workforce.

(b) This is a onetime appropriation.

Subd. 10. **Maangaar Voices**

$200,000 in fiscal year 2026 is for a grant to Maangaar Voices to conduct education activities and trainings for Minnesota families related to county services and educational services available for individuals with autism and to conduct family support group workshops. This is a onetime appropriation and is available until June 30, 2027.

Subd. 11. **Technology for Home Grants**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are for technology for home grants under Minnesota Statutes, section 256.4773.

Subd. 12. **Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities**

$381,000 in fiscal year 2026 and $381,000 in fiscal year 2027 are for self-advocacy grants under Minnesota Statutes, section 256.477. Of these amounts:

(1) $133,000 in fiscal year 2026 and $133,000 in fiscal year 2027 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), and for administrative costs associated with those activities incurred by the grantee;

(2) $218,000 in fiscal year 2026 and $218,000 in fiscal year 2027 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs associated with those activities incurred by the grantee; and

(3) $105,000 in fiscal year 2026 and $105,000 in fiscal year 2027 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

Subd. 13. **Case Management Training Grants**

$45,000 in fiscal year 2026 and $45,000 in fiscal year 2027 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system.

Subd. 14. **Family Support Program**

$9,423,000 in fiscal year 2026 and $9,096,000 in fiscal year 2027 are for support grants under Minnesota Statutes, section 252.32.

Subd. 15. **Disability Hub for Families Grants**

$200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are for grants under Laws 2019, First Special Session chapter 9, article 14, section 2, subdivision 29, paragraph (e), to connect families through innovation grants, life planning tools, and website information as they support a child or family member with disabilities.

Subd. 16. **Disability Hub**

$1,716,000 in fiscal year 2026 and $2,041,000 in fiscal year 2027 are for the Disability Hub under Minnesota Statutes, section 256.01, subdivision 24.

Subd. 17. **Minnesota Aging and Disability Resource Center**

$900,000 in fiscal year 2026 and $900,000 in fiscal year 2027 are for grants under Minnesota Statutes, section 256.01, subdivision 2, paragraph (z), to support the Minnesota Aging and Disability Resource Center.

Subd. 18. **Day Training and Habilitation Facility Grants**

$811,000 in fiscal year 2026 and $811,000 in fiscal year 2027 are for grant allocations to counties for day training and habilitation services for adults with developmental disabilities when provided as a social service

under Minnesota Statutes, sections 252.41 to 252.46.

Subd. 19. **Employment and Technical Assistance Center Grants**

$450,000 in fiscal year 2026 and $1,800,000 in fiscal year 2027 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

Subd. 20. **Grant to Family Voices in Minnesota**

$75,000 in fiscal year 2026 and $75,000 in fiscal year 2027 are for a grant to Family Voices in Minnesota under Minnesota Statutes, section 256.4776.

Subd. 21. **Intractable Epilepsy Demonstration Project**

$344,000 in fiscal year 2026 and $344,000 in fiscal year 2027 are for the demonstration project established under Laws 1988, chapter 689, article 2, section 251, and a grant to a nonresidential program that provides medical monitoring and living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living. The grant awarded under this section must be used for salaries, administration, transportation, and other program costs.

Subd. 22. **Lead Agency Capacity-Building Grants**

$2,413,000 in fiscal year 2026 and $2,411,000 in fiscal year 2027 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities.

Subd. 23. **Minnesota Inclusion Initiative Grants**

$150,000 in fiscal year 2026 and $150,000 in fiscal year 2027 are from the general fund for grants under Minnesota Statutes, section 256.4772.

Subd. 24. **MnCHOICES Modifications**

$450,000 in fiscal year 2026 and $125,000 in fiscal year 2027 are for enhancements to the MnCHOICES assessment tool to provide real-time employment information, communication, and resources, supporting individuals and professionals in improving education, engagement, and access to employment opportunities.

Subd. 25. **Parent-to-Parent USA Peer Support**

$125,000 in fiscal year 2026 and $125,000 in fiscal year 2027 are for a grant to an alliance member of Parent-to-Parent USA under Minnesota Statutes, section 256.4776.

Subd. 26. **Preadmission Screening and Resident Reviews for Persons with Mental Illness or Developmental Disabilities**

$20,000 in fiscal year 2026 and $20,000 in fiscal year 2027 are for reimbursement to counties for costs associated with completing federally required preadmission screening and resident reviews of nursing home applicants or residents with a probable mental illness or a developmental disability.

Subd. 27. **Regional Support for Person-Centered Practices Grants**

$710,000 in fiscal year 2026 and $710,000 in fiscal year 2027 are for grants to regional cohorts to extend and expand regional capacity for person-centered planning through training, coaching, and mentoring for person-centered and collaborative safety practices benefiting people with disabilities and employees, organizations, and communities serving people with disabilities.

Subd. 28. **Region 10 Grants**

$100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are for a grant provided under Minnesota Statutes, section 256B.097.

Subd. 29. **Semi-Independent Living Services Grants**

$7,229,000 in fiscal year 2026 and $7,229,000 in fiscal year 2027 are for semi-independent living services grants under Minnesota Statutes, section 252.275.

Subd. 30. **Case Management Supportive Services for People Living with HIV/AIDS**

$1,156,000 in fiscal year 2026 and $1,156,000 in fiscal year 2027 are for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19.

Subd. 31. **Health Care Coverage for People Living with HIV/AIDS**

$1,064,000 in fiscal year 2026 and $1,064,000 in fiscal year 2027 are for payment of allowed health care costs under Minnesota Statutes, section 256.9365.

Subd. 32. **State Quality Council**

$600,000 in fiscal year 2026 and $600,000 in fiscal year 2027 are for the State Quality Council under Minnesota Statutes, section 256B.097, to provide technical assistance and monitoring of person-centered outcomes related to inclusive community living and employment. The funding must be used by the State Quality Council to execute a statewide plan for a systems change in person-centered planning that will achieve desired outcomes, including increased integrated employment and community living.

Subd. 33. **Technology for Home Grants**

$622,000 in fiscal year 2026 and $622,000 in fiscal year 2027 are for technology for home grants under Minnesota Statutes, section 256.4773.

Subd. 34. **Transition to Community Initiative**

$1,811,000 in fiscal year 2026 and $1,811,000 in fiscal year 2027 are for the

transition to community initiative under Minnesota Statutes, section 256.478.

Subd. 35. **Self-Directed Bargaining Agreement; Training Stipends; Allocation Correction**

$87,000 in fiscal year 2026 and $87,000 in fiscal year 2027 are to correct a funding allocation mistake for stipends for collective bargaining unit members initially appropriated under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 15, paragraph (b), clause (2).

Subd. 36. **Base Level Adjustments**

The general fund base for this section is $28,293,000 in fiscal year 2028 and $28,293,000 in fiscal year 2029.

Sec. 17. **GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS** **$ 650,000** **$ -0-**

Subdivision 1. **Isuroon Sexual and Domestic Violence Program**

$450,000 in fiscal year 2026 is for a grant to Isuroon for its sexual and domestic violence program that provides essential culturally and linguistically specific and trauma-informed services to immigrant, refugee, and ethnic women and their families in Minnesota who are survivors of sexual and domestic violence. Eligible uses of grant money under this subdivision include maintaining a 24-hour crisis line for immediate support and referral, rental assistance to ensure safe and stable housing, legal support and advocacy to assist with legal proceedings, and home visiting services to provide in-home support and counseling. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Somali Youth Development Network**

$200,000 in fiscal year 2026 is for a grant to The Somali Youth Development Network to further its mission to provide accessible,

high-quality services such as counseling and therapy, mentorship, educational support, skill development, and community engagement initiatives to at-risk youth and families affected by trauma, with a specific focus on gun violence prevention. The grant money must be used to enhance and expand The Somali Youth Development Network's existing services and to invest in critical resources such as staff training, counseling facilities, mentorship programs, educational materials, community outreach initiatives, and comprehensive support programs. This is a onetime appropriation and is available until June 30, 2027.

Sec. 18. **GRANT PROGRAMS; CHEMICAL DEPENDENCY TREATMENT SUPPORT GRANTS** **$ 5,526,000 $ 4,825,000**

Subdivision 1. **Appropriations by Fund**

	Appropriations by Fund	
	2026	2027
General	3,793,000	3,092,000
Lottery Prize	1,733,000	1,733,000

Subd. 2. **Problem Gambling**

$225,000 in fiscal year 2026 and $225,000 in fiscal year 2027 are from the lottery prize fund for a grant to a state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations that provide effective treatment services to problem gamblers and their families, and research related to problem gambling.

Subd. 3. **Generation Hope**

(a) $500,000 in fiscal year 2026 is from the general fund for a grant to Generation Hope. Money must be used to enhance culturally specific peer recovery and outreach programs, including:

(1) expanding culturally relevant peer recovery support services to meet the diverse needs of individuals in recovery;

(2) conducting targeted outreach to underserved communities to increase access to recovery resources;

(3) providing training and professional development for peer recovery specialists to ensure culturally informed care; and

(4) partnering with community-based organizations to strengthen connections and provide wraparound support services for participants.

(b) This is a onetime appropriation.

Subd. 4. **Restoration for All, Inc.**

$435,000 in fiscal year 2026 and $434,000 in fiscal year 2027 are from the general fund for a grant to Restoration for All, Inc. Grant money must be used for activities designed to enhance culturally relevant services and resources for Minnesota's African immigrant refugee community related to mental health, substance use disorder, and suicide prevention. Grant money may also be used to address the physical and mental wellness needs of the elderly and mental health support and suicide prevention for underrepresented students in higher education. This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. **Change the Outcome Ongoing Funding**

$425,000 in fiscal year 2026 and $425,000 in fiscal year 2027 are from the general fund for a grant to Change the Outcome to provide:

(1) data-centered learning opportunities on the dangers of opioid use in middle and high schools and communities in Minnesota;

(2) instruction on prevention strategies, assessing personal risk, and how to recognize overdose;

(3) information on emerging drug trends, including but not limited to fentanyl, xylazine, and pressed pills; and

(4) access to resources, including support for those struggling with substance use disorders.

Subd. 6. **Twin Cities Recovery Project**

$50,000 in fiscal year 2026 and $50,000 in fiscal year 2027 are from the general fund for a grant to Twin Cities Recovery Project, a recovery community organization. Grant money must be used to:

(1) provide geographically or culturally specific peer recovery services and education aimed at addressing disparities in posttreatment substance use disorder and mental health support; and

(2) expand access to posttreatment recovery support for high-need populations.

Subd. 7. **Niyyah Recovery Initiative**

$200,000 in fiscal year 2026 is from the general fund for a grant to Niyyah Recovery Initiative to fund support program costs, community engagement, staffing, and targeted high-impact outreach to expand recovery services and provide critical support to individuals affected by substance use. This is a onetime appropriation and is available until June 30, 2027.

Subd. 8. **Wellness in the Woods**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the general fund for a grant to Wellness in the Woods for daily peer support and special sessions for individuals who are in substance use recovery, are transitioning out of incarceration, or have experienced trauma.

Subd. 9. **American Indian Programs**

$1,397,000 in fiscal year 2026 and $1,397,000 in fiscal year 2027 are from the general fund for the American Indian programs under Minnesota Statutes, section 254A.03, subdivision 2.

Subd. 10. **Methamphetamine Treatment Grant**

$125,000 in fiscal year 2026 and $125,000 in fiscal year 2027 are from the general fund for a grant to a nonprofit organization to treat methamphetamine abuse and the abuse of other substances. The focus audience is women with dependent children identified as substance abusers, especially those whose most-used controlled substance is methamphetamine.

Subd. 11. **Base Level Adjustment**

The general fund base for this section is $2,658,000 in fiscal year 2028 and $2,658,000 in fiscal year 2029.

Sec. 19. Laws 2023, chapter 61, article 9, section 2, subdivision 13, is amended to read:

Subd. 13. **Grant Programs; Other Long-Term Care Grants**	152,387,000	1,925,000

(a) **Provider Capacity Grant for Rural and Underserved Communities.** $17,148,000 in fiscal year 2024 is for provider capacity grants for rural and underserved communities. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **New American Legal, Social Services, and Long-Term Care Grant Program.** $28,316,000 in fiscal year 2024 is for long-term care workforce grants for new Americans. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(c) **Supported Decision Making Programs.** $4,000,000 in fiscal year 2024 is for supported decision making grants. This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

(d) **Direct Support Professionals Employee-Owned Cooperative Program.** $350,000 in fiscal year 2024 is for a grant to the Metropolitan Consortium of Community Developers for the Direct Support Professionals Employee-Owned Cooperative program. The grantee must use the grant amount for outreach and engagement, managing a screening and selection process, providing one-on-one technical assistance, developing and providing training curricula related to cooperative development and home and community-based waiver services, administration, reporting, and program evaluation. This is a onetime appropriation and is available until June 30, 2025.

(e) **Long-Term Services and Supports Workforce Incentive Grants.** $83,560,000 in fiscal year 2024 is for long-term services and supports workforce incentive grants administered according to Minnesota Statutes, section 256.4764. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2029. This is a onetime appropriation.

(f) **Base Level Adjustment.** The general fund base is $3,949,000 in fiscal year 2026 and $3,949,000 in fiscal year 2027. Of these amounts, $2,024,000 in fiscal year 2026 and $2,024,000 in fiscal year 2027 are for PCA background study grants.

Sec. 20. Laws 2023, chapter 61, article 9, section 2, subdivision 16, as amended by Laws 2023, chapter 70, article 15, section 8, and Laws 2024, chapter 127, article 53, section 14, is amended to read:

Subd. 16. **Grant Programs; Disabilities Grants**	113,684,000	30,377,000

(a) **Temporary Grants for Small Customized Living Providers.** $5,450,000

in fiscal year 2024 is for grants to assist small customized living providers to transition to community residential services licensure or integrated community supports licensure. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) **Lead Agency Capacity Building Grants.** $444,000 in fiscal year 2024 and $2,396,000 in fiscal year 2025 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities. The base for this appropriation is $2,413,000 in fiscal year 2026 and $2,411,000 in fiscal year 2027.

(c) **Employment and Technical Assistance Center Grants.** $450,000 in fiscal year 2024 and $1,800,000 in fiscal year 2025 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

(d) **Case Management Training Grants.** $37,000 in fiscal year 2024 and $123,000 in fiscal year 2025 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system. The base for this appropriation is $45,000 in fiscal year 2026 and $45,000 in fiscal year 2027.

(e) **Self-Directed Bargaining Agreement; Electronic Visit Verification Stipends.** $6,095,000 in fiscal year 2024 is for onetime stipends of $200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. Of this amount, $5,600,000 is for stipends and $495,000 is for administration. This is a onetime appropriation and is available until June 30, 2025.

(f) **Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding.** $1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. Of this amount, $1,400,000 of the appropriation is for stipends and $200,000 is for administration. This is a onetime appropriation.

(g) **Self-Directed Collective Bargaining Agreement; Retention Bonuses.** $50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. Of this amount, $50,000,000 is for retention bonuses and $750,000 is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) **Self-Directed Bargaining Agreement; Training Stipends.** $2,100,000 in fiscal year 2024 and $100,000 in fiscal year 2025 are for onetime stipends of $500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. Of this amount, $2,000,000 in fiscal year 2024 is for stipends, and $100,000 in fiscal year 2024 and $100,000 in fiscal year 2025 are for administration. This is a onetime appropriation.

(i) **Self-Directed Bargaining Agreement; Orientation Program.** $2,000,000 in fiscal year 2024 and $2,000,000 in fiscal year 2025 are for onetime $100 payments to collective bargaining unit members who complete voluntary orientation requirements. Of this amount, $1,500,000 in fiscal year 2024 and $1,500,000 in fiscal year 2025 are for the

onetime $100 payments, and $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) **Self-Directed Bargaining Agreement; Home Care Orientation Trust.** $1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust under Minnesota Statutes, section 179A.54, subdivision 11. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designated by the board of trustees outside the state treasury and state's accounting system. This is a onetime appropriation and is available until June 30, 2025.

(k) **HIV/AIDS Supportive Services.** $12,100,000 in fiscal year 2024 is for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19, and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.9365. This is a onetime appropriation and is available until June 30, 2025.

(l) **Motion Analysis Advancements Clinical Study and Patient Care.** $400,000 ~~is~~ in fiscal year 2024 is for a grant to the Mayo Clinic Motion Analysis Laboratory and Limb Lab for continued research in motion analysis advancements and patient care. This is a onetime appropriation and is available through June 30, ~~2025~~ 2027.

(m) **Grant to Family Voices in Minnesota.** $75,000 in fiscal year 2024 and $75,000 in fiscal year 2025 are for a grant to Family Voices in Minnesota under Minnesota Statutes, section 256.4776.

(n) **Parent-to-Parent Programs.**

(1) $550,000 in fiscal year 2024 and $550,000 in fiscal year 2025 are for grants

to organizations that provide services to underserved communities with a high prevalence of autism spectrum disorder. This is a onetime appropriation and is available until June 30, 2025.

(2) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services.

(3) Eligible organizations must:

(i) conduct outreach and provide support to newly identified parents or guardians of a child with special health care needs;

(ii) provide training to educate parents and guardians in ways to support their child and navigate the health, education, and human services systems;

(iii) facilitate ongoing peer support for parents and guardians from trained volunteer support parents; and

(iv) communicate regularly with other parent-to-parent programs and national organizations to ensure that best practices are implemented.

(4) Grant recipients must use grant money for the activities identified in clause (3).

(5) For purposes of this paragraph, "special health care needs" means disabilities, chronic illnesses or conditions, health-related educational or behavioral problems, or the risk of developing disabilities, illnesses, conditions, or problems.

(6) Each grant recipient must report to the commissioner of human services annually by January 15 with measurable outcomes from programs and services funded by this appropriation the previous year including the number of families served and the number of volunteer support parents trained by the organization's parent-to-parent program.

(o) **Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities.** $323,000 in fiscal year 2024 and $323,000 in fiscal year 2025 are for self-advocacy grants under Minnesota Statutes, section 256.477. This is a onetime appropriation. Of these amounts, $218,000 in fiscal year 2024 and $218,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs, and $105,000 in fiscal year 2024 and $105,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

(p) **Technology for Home Grants.** $300,000 in fiscal year 2024 and $300,000 in fiscal year 2025 are for technology for home grants under Minnesota Statutes, section 256.4773.

(q) **Community Residential Setting Transition.** $500,000 in fiscal year 2024 is for a grant to Hennepin County to expedite approval of community residential setting licenses subject to the corporate foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5).

(r) **Base Level Adjustment.** The general fund base is $27,343,000 in fiscal year 2026 and $27,016,000 in fiscal year 2027.

Sec. 21. Laws 2024, chapter 127, article 53, section 2, subdivision 13, is amended to read:

Subd. 13. **Grant Programs; Aging and Adult Services Grants**	-0-	4,500,000

(a) **Caregiver Respite Services Grants.** $2,000,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(b) **Caregiver Support Programs.** $2,500,000 in fiscal year 2025 is for the Minnesota Board on Aging for the purposes of the caregiver support programs under Minnesota Statutes, section 256.9755. Programs receiving funding under this paragraph must include an ALS-specific respite service in their caregiver support program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, ~~2027~~ 2028.

Sec. 22. Laws 2024, chapter 127, article 53, section 2, subdivision 15, is amended to read:

Subd. 15. **Grant Programs; Adult Mental Health Grants**	(8,900,000)	2,364,000

(a) **Locked Intensive Residential Treatment Services.** $1,000,000 in fiscal year 2025 is for start-up funds to intensive residential treatment services providers to provide treatment in locked facilities for patients meeting medical necessity criteria and who may also be referred for competency attainment or a competency examination under Minnesota Statutes, sections 611.40 to 611.59. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(b) **Engagement Services Pilot Grants.** $1,500,000 in fiscal year 2025 is for engagement services pilot grants. Of this amount, $250,000 in fiscal year 2025 is for an engagement services pilot grant to Otter Tail County. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, ~~2026~~ 2028.

(c) **Mental Health Innovation Grant Program.** $1,321,000 in fiscal year 2025 is for the mental health innovation grant program under Minnesota Statutes, section 245.4662. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section

16A.28, subdivision 3, this appropriation is available until June 30, 2026.

(d) **Behavioral Health Services For Immigrant And Refugee Communities.** $354,000 in fiscal year 2025 is for a payment to African Immigrant Community Services to provide culturally and linguistically appropriate services to new Americans with disabilities, mental health needs, and substance use disorders and to connect such individuals with appropriate alternative service providers to ensure continuity of care. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(e) **Base Level Adjustment.** The general fund base is decreased by $1,811,000 in fiscal year 2026 and decreased by $1,811,000 in fiscal year 2027.

Sec. 23. **TRANSFERS AND GRANT CANCELLATIONS AND ELIMINATIONS.**

Subdivision 1. **Local planning grant elimination.** The fiscal year 2026 and fiscal year 2027 general fund base appropriations for local planning grants for creating alternatives to congregate living for individuals with lower needs first established under Laws 2011, First Special Session chapter 9, article 10, section 3, subdivision 4, paragraph (k), are reduced from $254,000 to $0.

Subd. 2. **Chemical dependency peer specialists grant elimination.** The fiscal year 2026 and fiscal year 2027 general fund base appropriations for grants for peer specialists first established under Laws 2016, chapter 189, article 23, section 2, subdivision 4, paragraph (f), are reduced from $1,364,000 to $0.

Subd. 3. **Community residential setting transitional grant cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a), for grants to assist small customized living providers to transition to community residential services licensure or integrated community supports licensure, estimated to be $5,450,000, is canceled.

Subd. 4. **Retention bonus cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (g), for retention bonuses, estimated to be $27,000,000, is canceled.

Subd. 5. **Orientation payments cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation referenced in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (i), for orientation payments, estimated to be $1,750,000, is canceled.

Subd. 6. **Safe recovery site grant cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 18, paragraph (b), for grants to establish safe recovery sites, estimated to be $13,528,000, is canceled.

Subd. 7. **Harm reduction grant cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 18, paragraph (e), for grants to purchase syringes, testing supplies, and opiate antagonists, estimated to be $7,597,000, is canceled.

Subd. 8. **Nursing facility payment program cancellation.** Any unencumbered and unexpended amount of the fiscal year 2024 appropriation in Laws 2023, chapter 74, article 1, section 6, subdivision 2, for payments to nursing facilities, estimated to be $1,416,000, is canceled.

Subd. 9. **Advisory committee for Direct Care and Treatment funding cancellation.** Any unencumbered and unexpended amount of the fiscal year 2025 appropriation in Laws 2024, chapter 127, article 53, section 2, subdivision 20, paragraph (d), for the Direct Care and Treatment advisory committee, estimated to be $482,000, is canceled.

Subd. 10. **Cancellation and transfer of the human services response contingency account balance.** (a) The remaining unencumbered balance in the human services response contingency account established under Minnesota Statutes, section 256.044, estimated to be $2,500,000, is canceled to the special revenue fund.

(b) An amount equal to the amount canceled under paragraph (a) is transferred from the special revenue fund to the general fund.

Subd. 11. **Cancellation and transfer of family and medical benefit funding** (a) $20,000,000 in fiscal year 2026 is canceled from the family and medical benefit account to the family and medical benefit insurance fund.

(b) An amount equal to the amount canceled under paragraph (a) is transferred from the family and medical benefit insurance fund to the general fund.

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

Sec. 24. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among general assistance, medical assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support program, and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall

report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this subdivision.

Sec. 25. **GRANT ADMINISTRATION.**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of human services must not use any of the grant amounts appropriated under this article for administrative costs.

Sec. 26. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2025 regular session, the appropriation or transfer must be given effect once.

Sec. 27. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 28. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 12

DIRECT CARE AND TREATMENT APPROPRIATIONS

Section 1. **DIRECT CARE AND TREATMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the executive board of direct care and treatment 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. **EXECUTIVE BOARD OF DIRECT CARE AND TREATMENT; TOTAL APPROPRIATION**	**$ 577,884,000**	**$ 603,230,000**

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

Sec. 3. **MENTAL HEALTH AND SUBSTANCE ABUSE**	**$**	**189,761,000**	**$**	**194,840,000**
Sec. 4. **COMMUNITY-BASED SERVICES**	**$**	**13,927,000**	**$**	**14,170,000**
Sec. 5. **FORENSIC SERVICES**	**$**	**160,239,000**	**$**	**164,094,000**
Sec. 6. **SEX OFFENDER PROGRAM**	**$**	**128,050,000**	**$**	**131,351,000**
Sec. 7. **ADMINISTRATION**	**$**	**85,907,000**	**$**	**98,775,000**

Locked Psychiatric Residential Treatment Facility Planning

(a) $100,000 in fiscal year 2026 is for planning a build out of a locked psychiatric residential treatment facility operated by Direct Care and Treatment. This is a onetime appropriation and is available until June 30, 2027.

(b) By March 1, 2026, the executive board must report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy on the plan developed using the appropriation in this section to build out a locked psychiatric residential treatment facility (PRTF) operated by Direct Care and Treatment.

(c) The report must include but is not limited to the following information:

(1) the risks and benefits of locating the locked PRTF in a metropolitan or rural location;

(2) the estimated cost for the build out of the locked PRTF;

(3) the estimated ongoing cost of maintaining the locked PRTF; and

(4) the estimated amount of costs that can be recouped from medical assistance,

MinnesotaCare, and private insurance payments.

Sec. 8. **TRANSFER AUTHORITY.**

(a) Money appropriated for budget programs in this article may be transferred between budget programs and between years of the biennium with the approval of the commissioner of management and budget.

(b) Positions, salary money, and nonsalary administrative money may be transferred within Direct Care and Treatment as the executive board considers necessary, with the advance approval of the commissioner of management and budget. The executive board shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Direct Care and Treatment quarterly about transfers made under this section.

(c) Beginning July 1, 2025, and until September 30, 2025, administrative money may be transferred between Direct Care and Treatment and the Department of Human Services as the commissioner and executive board deem necessary, with advance approval of the commissioner of management and budget. The executive board shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Direct Care and Treatment about transfers made under this section.

Sec. 9. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2025 regular session, the appropriation or transfer must be given effect once.

Sec. 10. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 11. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 13

HEALTH APPROPRIATIONS

Section 1. **HEALTH 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. **COMMISSIONER OF HEALTH; TOTAL APPROPRIATION**	**$ 2,431,000**	**$ 2,339,000**
The amounts that may be spent for each purpose are specified in the following sections.		
Sec. 3. **HEALTH IMPROVEMENT**	**$ 2,336,000**	**$ 2,336,000**
Community Care Hub Grant		
$2,240,000 in fiscal year 2026 and $2,240,000 in fiscal year 2027 are for the community care hub grant.		
Sec. 4. **HEALTH PROTECTION**	**$ 95,000**	**$ 3,000**
This appropriation is from the state government special revenue fund.		

Sec. 5. **GRANT ADMINISTRATION.**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of health must not use any of the grant amounts appropriated under this article for administrative costs.

Sec. 6. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2025 regular session, the appropriation or transfer must be given effect once.

Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 8. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 14

OTHER AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY 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. **COUNCIL ON DISABILITY**	**$ 2,432,000**	**$ 2,457,000**
Legislative Task Force On Guardianship Funding Cancellation		
Any unencumbered and unexpended amount of the fiscal year 2025 appropriation referenced in Laws 2024, chapter 127, article 53, section 4, for the Legislative Task Force on Guardianship, estimated to be $400,000, is canceled.		
Sec. 3. **OFFICE OF THE OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**	**$ 3,706,000**	**$ 3,765,000**
Sec. 4. **OFFICE OF ADMINISTRATIVE HEARINGS**	**$ 272,000**	**$ 262,000**
Sec. 5. **MINNESOTA HUMANITIES CENTER**	**$ 68,000**	**$ -0-**
YouLead2025		
$68,000 in fiscal year 2026 is for a grant to Global Synergy Group, a 501(c)(3) nonprofit organization, to operate the YouLead2025 program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section		

16B.98, subdivision 14, the Board of Directors of the Minnesota Humanities Center must not use any of the grant amounts for administrative costs.

Sec. 6. **BOARD OF BEHAVIORAL HEALTH AND THERAPY**	**$**	**2,000**	**$**	**1,000**

The general fund base for this section is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Sec. 7. **BOARD OF MEDICAL PRACTICE**	**$**	**3,000**	**$**	**1,000**

The general fund base for this section is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Sec. 8. **BOARD OF NURSING**	**$**	**4,000**	**$**	**2,000**

The general fund base for this section is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Sec. 9. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2025 regular session, the appropriation or transfer must be given effect once.

Sec. 10. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

Sec. 11. **EFFECTIVE DATE.**

This article is effective July 1, 2025, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions relating to aging and older adult services, disability services, substance use disorder treatment, housing supports, health care, direct care and treatment services, and the Department of Health; establishing the Department of Direct Care and Treatment and the Advisory Council on Direct Care and Treatment; dissolving the Direct Care and Treatment executive board; establishing the Age-Friendly Minnesota Council; repealing the legislative task force on guardianship; extending the Mentally Ill and Dangerous Civil Commitment Reform Task Force; making conforming changes; establishing grants; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 10.65, subdivision 2; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 43A.241; 144A.071, subdivisions 4a, 4c, 4d; 144A.161, subdivision 10; 144A.1888; 144A.351, subdivision 1; 144A.474, subdivision 11; 144A.4799; 144G.31, subdivision 8; 144G.52, subdivisions

1, 2, 3, 5, 7, 8, 9, 10; 144G.53; 144G.54, subdivisions 2, 3, 7; 144G.55, subdivisions 1, 2; 179A.54, by adding a subdivision; 245.021; 245.073; 245A.042, by adding a subdivision; 245A.06, subdivisions 1a, 2; 245A.10, subdivision 3; 245C.16, subdivision 1; 245D.091, subdivisions 2, 3; 245D.12; 245G.01, subdivision 13b, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22, subdivisions 11, 15; 246.13, subdivision 1; 246B.01, by adding a subdivision; 246C.01; 246C.015, subdivision 3, by adding a subdivision; 246C.02, subdivision 1; 246C.04, subdivisions 2, 3; 246C.07, subdivisions 1, 2, 8; 246C.08; 246C.09, subdivision 3; 246C.091, subdivisions 2, 3, 4; 252.021, by adding a subdivision; 252.32, subdivision 3; 252.50, subdivision 5; 253.195, by adding a subdivision; 253B.02, subdivisions 3, 4c, by adding a subdivision; 253B.03, subdivision 7; 253B.041, subdivision 4; 253B.09, subdivision 3a; 253B.18, subdivision 6; 253B.19, subdivision 2; 253B.20, subdivision 2; 253D.02, subdivision 3, by adding a subdivision; 254A.19, subdivision 4; 254B.01, subdivision 10; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3; 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 4, 5, by adding a subdivision; 254B.06, by adding a subdivision; 254B.09, subdivision 2; 254B.19, subdivision 1; 256.01, subdivision 29; 256.043, subdivision 3, by adding a subdivision; 256.045, subdivisions 6, 7, by adding a subdivision; 256.476, subdivision 4; 256.9657, subdivision 1; 256B.04, subdivision 21; 256B.0625, subdivisions 5m, 17; 256B.0659, subdivision 17a; 256B.0757, subdivision 4c; 256B.0761, subdivision 4; 256B.0911, subdivisions 24, 26, by adding subdivisions; 256B.0924, subdivision 6; 256B.0949, subdivisions 2, 15, 16, 16a, by adding a subdivision; 256B.19, subdivision 1; 256B.431, subdivision 30; 256B.434, subdivision 4; 256B.4914, subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 7a, 7b, 7c, 8, 9, by adding subdivisions; 256B.761; 256B.766; 256B.85, subdivisions 2, 5, 6, 7, 7a, 8, 8a, 11, 13, 16, 17, 17a, 20, by adding a subdivision; 256B.851, subdivisions 5, 6, 7, by adding subdivisions; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2, 3; 256I.05, by adding subdivisions; 256R.02, subdivisions 18, 19, 22, by adding subdivisions; 256R.10, subdivision 8; 256R.23, subdivisions 5, 7, 8; 256R.24, subdivision 3; 256R.25; 256R.26, subdivision 9; 256R.27, subdivisions 2, 3; 256R.43; 260E.14, subdivision 1; 352.91, subdivisions 2a, 3c, 3d, 4a; 524.3-801; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 611.57, subdivision 2; 626.5572, subdivision 13; Laws 2021, chapter 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7, article 13, sections 73; 75, subdivision 6, as amended; Laws 2023, chapter 61, article 1, section 61, subdivision 4; article 9, section 2, subdivisions 13, 16, as amended; Laws 2024, chapter 127, article 49, section 9, subdivisions 1, 8, 9, by adding a subdivision; article 50, section 41, subdivision 2; article 53, section 2, subdivisions 13, 15; proposing coding for new law in Minnesota Statutes, chapters 245A; 245D; 246; 246C; 256; 256R; repealing Minnesota Statutes 2024, sections 245A.042, subdivisions 2, 3, 4; 245G.01, subdivision 20d; 245G.07, subdivision 2; 246B.01, subdivision 2; 246C.015, subdivisions 5a, 6; 246C.06, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 246C.07, subdivisions 4, 5; 252.021, subdivision 2; 253.195, subdivision 2; 253B.02, subdivision 7b; 253D.02, subdivision 7a; 254B.01, subdivisions 5, 15; 256.045, subdivision 1a; 256G.02, subdivision 5a; 256R.02, subdivision 38; 256R.12, subdivision 10; 256R.23, subdivision 6; 256R.36; 256R.40; 256R.41; 256R.481; Laws 2023, chapter 59, article 3, section 11; Laws 2024, chapter 79, article 1, section 20; Laws 2024, chapter 125, article 5, sections 40; 41; Laws 2024, chapter 127, article 46, section 39; article 50, sections 40; 41, subdivisions 1, 3."

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

Senator Kunesh from the Committee on Education Finance, to which was referred

S.F. No. 2255: A bill for an act relating to education finance; making changes to kindergarten through grade 12 education; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, American Indian education, teachers, special education, facilities, school nutrition, libraries, early childhood, community education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 122A.414, by adding a subdivision; 122A.4144; 122A.415, subdivisions 1, 4; 122A.63, subdivision 9; 122A.635; 122A.70, subdivisions 2, 3, 5, 5a, 6, by adding a subdivision; 123B.84; 123B.86, subdivisions 1, 3; 123B.87; 123B.92, subdivision 1; 124D.111, subdivision 3; 124D.119, subdivision 1; 124D.83, subdivision 2; 124D.861, subdivision 4; 124D.862, subdivisions 1, 8; 124D.901, subdivisions 3, 4; 124D.98, subdivision 5, by adding subdivisions; 125A.76, subdivision 2a; 126C.05, subdivision 3; 126C.10, subdivisions 3, 3c; 126C.40, subdivision 1, by adding a subdivision; 127A.45, subdivision 14; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 7, as amended, 9, as amended, 17, as amended; Laws 2023, chapter 55, article 1, sections 36, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 7, as amended, 9, as amended; 37; article 2, section 64, subdivisions 2, as amended, 6, as amended, 23, as amended; article 5, section 64, subdivisions 3, as amended, 14, as amended, 15, as amended; article 7, section 18, subdivisions 2, as amended, 4, as amended, 7, as amended; article 8, section 19, subdivision 6, as amended; article 9, section 18, subdivisions 4, as amended, 8, as amended; article 11, section 11, subdivisions 2, as amended, 3, as amended, 5, as amended, 10, as amended; article 12, sections 17, subdivision 2, as amended; 19; Laws 2023, chapter 63, article 9, section 8; Laws 2024, chapter 115, article 22, section 3; repealing Minnesota Statutes 2024, sections 122A.414, subdivisions 1, 2, 3, 4, 4a, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 13, 14a, 15, 16; 122A.4144; 122A.415, subdivisions 1, 3, 4, 5, 6, 7; 122A.4155; 122A.416; 122A.417; 123B.40; 123B.41, subdivisions 2, 3, 4, 5, 5a, 6, 7, 8, 12, 14, 15; 123B.42; 123B.43; 123B.44; 123B.45; 123B.46; 123B.47; 123B.48; 123B.86, subdivision 2; 123B.92, subdivision 9; 124D.98, subdivisions 1, 2, 3, 4.

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 123A.485, subdivision 2, is amended to read:

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

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

consolidation the full amount of aid earned and distribute any remaining funds to the newly created districts in the first year of consolidation.

Sec. 2. Minnesota Statutes 2024, section 123A.73, subdivision 4, is amended to read:

Subd. 4. **Consolidation; maximum authorized referendum revenues.** (a) As of the effective date of a consolidation pursuant to section 123A.48, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum revenues, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum revenue authorization for the newly created district shall be the revenue per adjusted pupil unit that would raise an amount equal to the combined dollar amount of the referendum revenues authorized by each of the component districts for the year preceding the consolidation, unless the referendum revenue authorization of the newly created district is subsequently modified pursuant to section 126C.17, subdivision 9.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the average of the consolidating districts' existing authorities for those years, weighted by the districts' adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. The referendum revenue authorization for the newly created district may be renewed by the school board of the newly created district pursuant to section 126C.17, subdivision 9b, for a term not to exceed the longest period authorized for any component district.

EFFECTIVE DATE. This section is effective retroactively from June 16, 2024, and applies to school board resolutions adopted on or after that date.

Sec. 3. Minnesota Statutes 2024, section 123A.73, subdivision 5, is amended to read:

Subd. 5. **Alternative method.** (a) As of the effective date of a consolidation pursuant to section 123A.48, if the plan for consolidation so provides, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision shall be combined as provided in this subdivision. The referendum revenue authorization for the newly created district may be any allowance per adjusted pupil unit provided in the plan for consolidation, but may not exceed the allowance per adjusted pupil unit that would raise an amount equal to the combined dollar amount of the referendum revenues authorized by each of the component districts for the year preceding the consolidation.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the average of the consolidating districts' existing authorities for those years, weighted by the districts' adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. The referendum revenue authorization for the newly created district may be modified pursuant to section 126C.17, subdivision 9. The referendum revenue authorization for the newly created district may be renewed by the school board of the newly created district pursuant to section 126C.17, subdivision 9b, for a term not to exceed the longest period authorized for any component district.

EFFECTIVE DATE. This section is effective retroactively from June 16, 2024, and applies to school board resolutions adopted on or after that date.

Sec. 4. Minnesota Statutes 2024, section 123B.84, is amended to read:

123B.84 POLICY.

In districts where the state provides aids for transportation it is in the public interest to provide equality of treatment in transporting public school children of the state who are required to attend elementary and secondary schools pursuant to chapter 120A, so that the health, welfare and safety of the children, while using the public highways of the state, shall be protected.

School children attending any public schools, complying with section 120A.22, are therefore entitled to the same rights and privileges relating to transportation.

Sec. 5. Minnesota Statutes 2024, section 123B.86, subdivision 1, is amended to read:

Subdivision 1. **General provisions.** A district shall provide equal transportation within the district for all public school children to any public school when transportation is deemed necessary by the school board because of distance or traffic condition in like manner and form as provided in sections 123B.88 and 123B.92, when applicable.

Sec. 6. Minnesota Statutes 2024, section 123B.86, subdivision 3, is amended to read:

Subd. 3. **Board control.** (a) When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the board.

(b) A school board and a nonpublic school may mutually agree to a written plan for the board to provide nonpublic pupil transportation to nonpublic school students.

~~(c) A school board that provides pupil transportation through the school's employees may transport nonpublic school students according to the plan and retain the nonpublic pupil transportation aid attributable to that plan. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services not required under sections 123B.84 to 123B.87.~~

~~(d)~~ (c) A school board that contracts for pupil transportation services may enter into a contractual arrangement with a school bus contractor according to the written plan adopted by the school board ~~and the nonpublic school to transport nonpublic school students and retain the nonpublic pupil transportation aid attributable to that plan for the purposes of paying the school bus contractor. A nonpublic school may make a payment to the school district to cover additional transportation~~

~~services agreed to in the written plan for nonpublic pupil transportation services included in the contract that are not required under sections 123B.84 to 123B.87.~~

~~(c) The school district must report the number of nonpublic school students transported and the nonpublic pupil transportation expenditures incurred under paragraph (b) in the form and manner specified by the commissioner.~~

Sec. 7. Minnesota Statutes 2024, section 123B.87, is amended to read:

123B.87 FUNDS AND AIDS.

Subdivision 1. **State aid.** State aids made available or appropriated shall be for the equal benefit of all public school children, and be disbursed in such manner as determined by the board.

Subd. 2. **Boards may expend money.** The board of any district may expend any moneys in its treasury, whether received from state or any other source for the purpose of providing equal transportation treatment of all public school children attending school.

Sec. 8. Minnesota Statutes 2024, section 123B.92, subdivision 1, is amended to read:

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

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

(1) the sum of:

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

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

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

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

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

(1) "Regular transportation" is:

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

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

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

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

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

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

(A) academic instruction;

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

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

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

(2) "Excess transportation" is:

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

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school

is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

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

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

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

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

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

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

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

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

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

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

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a student placed in a family foster home as defined in section 260C.007, subdivision 16b, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), items (ii) and (iii).

Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

~~(5) "Nonpublic nonregular transportation" is:~~

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 124D.65, subdivision 5a, is amended to read:

Subd. 5a. **English learner cross subsidy aid.** (a) For fiscal year 2027 ~~and later~~, a district's English learner cross subsidy aid equals 25 percent of the district's English learner cross subsidy calculated under paragraph (b). For fiscal year 2028 and later, a district's English learner cross subsidy aid equals 32.7323 percent of the district's English learner cross subsidy calculated under paragraph (b).

(b) A district's English learner cross subsidy equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue under subdivision 5 for the second previous year. For the purposes of this subdivision, "qualifying English learner services" means the services necessary to implement the language instruction educational program for students identified as English learners under sections 124D.58 to 124D.65. Only expenditures that both address the English language development standards in Minnesota Rules, parts 3501.1200 and 3501.1210, which may include home language instruction, and are supplemental to the cost of core content instruction may be included as expenditures for qualifying English learner services. Expenditures do not include costs related to construction, indirect costs, core content instruction, or core administrative personnel.

Sec. 10. Minnesota Statutes 2024, section 124D.995, subdivision 6, is amended to read:

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

Sec. 11. Minnesota Statutes 2024, section 124E.20, is amended by adding a subdivision to read:

Subd. 3. **Additional general education revenue.** A charter school is eligible for additional general education revenue under this subdivision. The additional general education revenue for a charter school equals $132 times the adjusted pupil units.

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

Sec. 12. Minnesota Statutes 2024, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free meals plus one-half of the pupils eligible to receive reduced-priced meals on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free meals and one-half of the pupils eligible to receive reduced-priced meals on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under section 142D.08, charter schools, and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

(f) Notwithstanding paragraphs (a) to (e), for revenue in fiscal year 2025 only, the compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2025, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2024.

(g) Notwithstanding paragraphs (a) to (e), for revenue in fiscal year 2026 only, the compensation revenue pupil units for each building in a district equals the greater of:

(1) the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2026; or

(2) the product of:

(i) the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2024; and

(ii) the lesser of one or the ratio of the number of pupils enrolled in the building on October 1, 2024, to the number of pupils enrolled in the building on October 1, 2022.

Sec. 13. Minnesota Statutes 2024, section 126C.10, subdivision 2, is amended to read:

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

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

~~(1) 1.02; or~~

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

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

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

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

Sec. 14. Minnesota Statutes 2024, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) For fiscal years 2024 ~~and~~, 2025, and 2026, the compensatory education revenue for each building in the district equals the formula allowance minus $839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(c) For fiscal year ~~2026~~ 2027 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance.

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph (c), for fiscal year 2026, if the sum of the amounts calculated under paragraph (c) is less than $838,947,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $838,947,000.

(g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the sum of the amounts calculated under paragraph (c) is less than $857,152,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $857,152,000.

(h) For revenue in fiscal year 2027 only, for a school district only, the commissioner must increase the compensatory revenue for the district by the greater of zero or the difference between:

(1) the product of (i) the sum of the amounts calculated under paragraph (b) for the district for fiscal year 2026, and (ii) the lesser of one or the ratio of the average daily membership of the district for fiscal year 2025 to the average daily membership of the district for fiscal year 2024; and

(2) the sum of the amounts calculated under paragraph (c) for the district for fiscal year 2027.

(i) Notwithstanding section 126C.15, subdivision 2, for fiscal year 2027 only, a district may allocate the amount of increased revenue under paragraph (h) to school sites according to a plan adopted by the school board, consistent with the purposes listed in section 126C.15, subdivision 1.

Sec. 15. Minnesota Statutes 2024, section 126C.10, subdivision 3c, is amended to read:

Subd. 3c. **Statewide compensatory allowance.** For fiscal year ~~2026~~ 2027, the statewide compensatory allowance is ~~$6,734~~ $6,936. For fiscal year ~~2027~~ 2028 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

Sec. 16. Minnesota Statutes 2024, section 126C.17, subdivision 9b, is amended to read:

Subd. 9b. **Renewal by school board.** (a) Notwithstanding the election requirements of subdivision 9, a school board may renew an expiring referendum, including an expiring referendum that was approved or adopted under section 123A.73, subdivision 4 or 5, by board action if:

(1) the per pupil amount of the referendum is the same as the amount expiring, or for an expiring referendum that was adjusted annually by the rate of inflation, the same as the per pupil amount of the expiring referendum, adjusted annually for inflation in the same manner as if the expiring referendum had continued;

(2) the term of the renewed referendum is no longer than the initial term approved by the voters, except as provided under section 123A.75, subdivision 4 or 5;

(3) the school board, having taken a recorded vote, has adopted a written resolution authorizing the renewal after holding a meeting and allowing public testimony on the proposed renewal; and

(4) the expiring referendum has not been previously renewed under this subdivision.

(b) The resolution must be adopted by the school board ~~by~~ on or after July 1 of the second fiscal year prior to the fiscal year in which the referendum expires, but no later than June 15 of ~~any calendar year and~~ the fiscal year prior to the fiscal year in which the referendum expires. The resolution becomes effective 60 days after its adoption.

(c) A referendum expires in the last fiscal year in which the referendum generates revenue for the school district. ~~A school board may renew an expiring referendum under this subdivision not more than two fiscal years before the referendum expires.~~

(d) A district renewing an expiring referendum under this subdivision must submit a copy of the adopted resolution to the commissioner and to the county auditor no later than ~~September 1~~ August 15 of the ~~calendar year in which the written resolution is adopted~~ fiscal year in which the referendum expires.

EFFECTIVE DATE. This section is effective retroactively from June 16, 2024, and applies to school board resolutions adopted on or after that date.

Sec. 17. Minnesota Statutes 2024, section 127A.47, subdivision 7, is amended to read:

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

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular

classroom for more than 60 percent of the school day, the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76, excluding cross subsidy reduction aid under section 125A.76, subdivision 2e, attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

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

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

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

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

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

(h) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (f), the district of residence must pay tuition equal to ~~at least 90 and no more than~~ 100 percent of the district average general education

revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

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

Sec. 18. Laws 2023, chapter 55, article 1, section 33, is amended to read:

Sec. 33. **UNEMPLOYMENT INSURANCE REPORT.**

By January 15 of each year, the Department of Education, in consultation with the Department of Employment and Economic Development, must report to the legislative committees with jurisdiction over education the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for school workers receiving unemployment insurance benefits. To the extent possible, the report must break out the costs by district and major job classes including separately identifying special education paraprofessionals from other paraprofessionals. The report must be filed according to Minnesota Statutes, section 3.195.

EFFECTIVE DATE. This section is effective for reports filed after July 1, 2025.

Sec. 19. Laws 2023, chapter 55, article 1, section 36, subdivision 12, is amended to read:

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

$ 450,000 2024

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

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

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

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

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

Sec. 20. Laws 2023, chapter 55, article 1, section 37, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (a) is effective for revenue for fiscal year ~~2026~~ 2027. Paragraph (b) is effective May 28, 2023. Paragraph (c) is effective the day following final enactment.

Sec. 21. **COMPENSATORY REVENUE TASK FORCE.**

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

Subd. 2. **Membership.** The commissioner of education must appoint the following members to the task force by August 1, 2025:

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

(2) the commissioner of revenue or the commissioner's designee;

(3) the executive director of the Minnesota School Boards Association or the executive director's designee;

(4) the executive director of Education Minnesota or the executive director's designee;

(5) the executive director of the Minnesota Rural Education Association or the executive director's designee;

(6) the executive director of the Minnesota Education Equity Partnership or the executive director's designee, and one parent of a child eligible for free or reduced-price meals under the federal meal standards, appointed by the executive director;

(7) the executive director of the Association of Metropolitan School Districts or the executive director's designee;

(8) a representative of a school district of a city of the first class appointed by the executive director of the Association of Metropolitan School Districts;

(9) the executive director of the Minnesota Association of Alternative Programs or the executive director's designee;

(10) the executive director of Schools Advocating for Fair Funding or the executive director's designee;

(11) the executive director of EdAllies or the executive director's designee, and one parent of a child eligible for free or reduced-price meals under the federal meal standards, appointed by the executive director;

(12) the executive director of the Minnesota Association of School Business Officials or the executive director's designee; and

(13) the executive director of the Minnesota Association of Charter Schools or the executive director's designee.

Subd. 3. **Duties.** The task force must:

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

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

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

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

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

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

(7) evaluate the best uses of compensatory revenue.

Subd. 4. **Compensation.** Members of the task force are not eligible for per diem compensation or reimbursement of expenses.

Subd. 5. **Meetings and administrative support.** (a) The commissioner of education or the commissioner's designee must convene the first meeting of the task force no later than August 15, 2025. The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under this section. Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

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

Subd. 6. **Reporting.** The task force must issue a preliminary report to the legislature by February 15, 2026, and a final report to the legislature by February 15, 2027. The reports must be prepared and filed consistent with the requirements of Minnesota Statutes, section 3.195.

Subd. 7. **Expiration.** The task force expires February 15, 2027.

Sec. 22. **APPROPRIATIONS.**

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

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

$	8,474,329,000	.....	2026
$	8,790,902,000	.....	2027

(b) The 2026 appropriation includes $783,251,000 for 2025 and $7,691,078,000 for 2026.

(c) The 2027 appropriation includes $803,213,000 for 2026 and $7,987,689,000 for 2027.

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

$	25,000	.....	2026
$	27,000	.....	2027

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

$	1,929,000	.....	2026
$	2,340,000	.....	2027

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

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

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

$	572,000	.....	2026
$	350,000	.....	2027

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

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

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

$	2,355,000	.....	2026
$	0	.....	2027

(b) The 2026 appropriation includes $2,355,000 for 2025 and $0 for 2026.

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

$	2,609,000	.....	2026
$	0	.....	2027

(b) The 2026 appropriation includes $2,609,000 for 2025 and $0 for 2026.

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

$	65,000	.....	2026
$	65,000	.....	2027

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

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

$	451,000	.....	2026
$	350,000	.....	2027

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) Up to $50,000 of the appropriation in each year is available for grant administration.

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

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

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

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

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

$	30,000,000	.....	2026
$	70,000,000	.....	2027

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

(c) This is a onetime appropriation.

Sec. 23. **REVISOR INSTRUCTION.**

The revisor of statutes must substitute the term "district, charter school, or Tribal school" for "district," "school district," "district or charter school," or "school district or charter school"; the

term "district, charter school, and Tribal school" for "district and charter school" or "school district and charter school"; and similar singular or plural phrases wherever the terms appear in Minnesota Statutes for any statutorily named competitive grant program in Minnesota Statutes, chapters 120A to 129C, or a competitive grant program in Laws 2023, chapter 55, or Laws 2024, chapter 115, whose eligible grantees include school districts and charter schools, to name Tribal contract schools as eligible grantees. The revisor may also make any grammatical changes needed related to the change in terms.

Sec. 24. **REPEALER.**

Minnesota Statutes 2024, sections 123B.40; 123B.41, subdivisions 2, 3, 4, 5, 5a, 6, 7, 8, 12, 14, and 15; 123B.42; 123B.43; 123B.44; 123B.45; 123B.46; 123B.47; 123B.48; 123B.86, subdivision 2; and 123B.92, subdivision 9, are repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2024, section 120B.124, subdivision 4, is amended to read:

Subd. 4. **Volunteer and paraprofessional training.** (a) The department ~~and CAREI~~ must develop and provide training on evidence-based literacy interventions for the following unlicensed persons that regularly provide ~~Tier 2~~ interventions to students in Minnesota districts:

(1) paraprofessionals and other unlicensed school staff; and

(2) volunteers, contractors, and other persons not employed by Minnesota districts.

(b) The regional literacy networks must ~~develop and~~ provide training on evidence-based literacy interventions consistent with paragraph (a).

(c) ~~CAREI~~ The department and the regional literacy networks must collaborate to ensure that training provided by ~~CAREI and~~ the regional literacy networks is consistent across providers. The trainings must not exceed eight hours. The trainings must be based on approved training developed for teachers, and must include a train the trainer component to enable literacy leads to provide the training to paraprofessionals and volunteers. ~~CAREI~~ The department and the regional literacy networks must provide the trainings at no cost to paraprofessionals and other unlicensed school staff who regularly provide ~~Tier 2~~ interventions to students in Minnesota districts.

Sec. 2. Minnesota Statutes 2024, section 120B.241, subdivision 3, is amended to read:

Subd. 3. **Computer science working group.** (a) The Department of Education shall establish a computer science education working group to develop a state strategic plan for long-term and sustained growth of computer science education in all kindergarten through grade 12 school districts and charter schools. The commissioner of education must appoint members of the working group by October 1, 2023.

(b) Demographics of the working group must be inclusive and represent the diversity of the state, including but not limited to racial, ethnic, and geographic diversity, and diversity related to gender and sexual orientation.

(c) Meetings of the advisory committee are subject to the Open Meeting Law under Minnesota Statutes, chapter 13D.

(d) The computer science education advisory committee shall consist of the following members:

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

(2) the commissioner of higher education or the commissioner's designee;

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

(4) one representative of the Computer Science Teachers Association of Minnesota;

(5) one representative from the business community employing computer scientists or technologists;

(6) one representative from the Minnesota Technology Association;

(7) one representative from a nonprofit organization working with students and teachers in computer science;

(8) one representative from the Minnesota Association of School Administrators;

(9) one representative from Education Minnesota;

(10) one representative from the Minnesota Association of Colleges for Teacher Education;

(11) one representative from CSforAll Minnesota;

(12) one licensed library media specialist;

(13) one representative from the Minnesota School Boards Association;

(14) one representative from SciMathMN;

(15) one representative from the Tribal Nations Education Committee;

(16) one high school student enrolled in a school with fewer than 1,000 students and one high school student enrolled in a school with more than 1,000 students; and

(17) four computer science teachers that teach at schools of different sizes, including at least one teacher of students in kindergarten to grade 5, one teacher of students in grades 6 to 8, and one teacher of students in grades 9 to 12, and one career and technical education teacher.

(e) The computer science education working group shall develop a state strategic plan for a statewide computer science education program that includes but is not limited to:

(1) a statement of purpose that describes the objectives or goals the Department of Education will accomplish by implementing a computer science education program, the strategies by which those goals will be achieved, and a timeline for achieving those goals;

(2) a summary of the current state landscape for kindergarten through grade 12 computer science education, including diversity of students taking these courses;

(3) the creation or expansion of flexible options to license computer science teachers, which may include approval codes, technical permits, ancillary licenses, and standard licenses;

(4) a description of how the state will support the expansion of computer science education opportunities in every public school and public charter school in the state within five years, with a focus on ensuring equitable access;

(5) identifying high-quality computer science professional learning providers for teachers;

(6) an ongoing evaluation process that is overseen by the Department of Education;

(7) proposed rules that incorporate the principles of the state strategic plan into the state's public education system as a whole;

(8) recommendations for long-term expansion and sustainability of computer science education, including:

(i) implementation of a requirement that every kindergarten through grade 12 public school and public charter school employs at least one certified or endorsed computer science teacher, which may be met through multiple approved processes for certification and endorsement, including but not limited to endorsing a certified teacher as determined by the Professional Educator Licensing and Standards Board endorsed in another subject area;

(ii) expansion of a high school credit equivalency for computer science;

(iii) the development of standalone kindergarten through grade 12 standards for computer science; and

(iv) training preservice teachers in computer science education; and

(9) a description of existing gaps in computer science education access, participation, and success by geography and subgroup of students and a description of how to equitably address these gaps.

(f) By February 29, 2024, the Department of Education shall publish the proposed state strategic plan for public feedback.

(g) By March 22, 2024, the Department of Education shall present the adopted state strategic plan described in paragraph (e) to the chairs of the legislative committees with jurisdiction over education.

~~(h) The commissioner of education, or the commissioner of education's designee, may approve updates and changes to the state strategic plan described in paragraph (e) as necessary for the successful implementation of kindergarten through grade 12 computer science education.~~

~~(i) The Department of Education shall update the legislative committees with jurisdiction over education on all changes to the strategic plan described in paragraph (e) approved by the commissioner of education's designee since the last presentation to each respective entity.~~

Sec. 3. Minnesota Statutes 2024, section 121A.642, is amended by adding a subdivision to read:

Subd. 4. **Qualifications.** (a) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, sections 200.58 and 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a score of 440 or higher on the ParaPro assessment, or a passing score on a different assessment approved by the Department of Education; or

(3) demonstrates the following competencies, regardless of the number of hours of training the paraprofessional has received:

(i) understanding the distinctions between roles and responsibilities of professionals, paraprofessionals, and support personnel;

(ii) understanding the purposes and goals of education and instruction for all students;

(iii) knowledge of relevant laws, rules, regulations, and local district policies and procedures to ensure paraprofessionals work within these parameters;

(iv) awareness of the challenges and expectations of various learning environments;

(v) the ability to establish and maintain rapport with students;

(vi) the ability to follow oral and written direction of licensed teachers, seeking clarification as needed;

(vii) the ability to assist and reinforce elements that support a safe, healthy, and effective teaching and learning environment;

(viii) understanding strategies for assisting with the inclusion of students in various settings;

(ix) the ability to use strategies that promote the student's independence;

(x) understanding applicable laws, rules, and regulations, and procedural safeguards regarding the management of student behaviors;

(xi) awareness of the primary factors that influence student behavior;

(xii) the ability to effectively employ a variety of strategies that reinforce positive behavior;

(xiii) the ability to use ethical practices for confidential communication about students;

(xiv) the ability to follow teacher instructions while conferring and collaborating with teachers about student schedules, instructional goals, and performance;

(xv) demonstrating a commitment to assisting students in reaching the students' highest potential, including the modeling of positive behavior;

(xvi) showing respect for the diversity of students;

(xvii) showing a willingness to participate in ongoing staff development and self-evaluation and to apply constructive feedback;

(xviii) supporting and reinforcing the instruction of students in mathematics following written and oral lesson plans developed by licensed teachers;

(xix) supporting and reinforcing the instruction of students in reading following written and oral lesson plans developed by licensed teachers. Professional development required under the Read Act in section 120B.123 exceeds this requirement; and

(xx) supporting and reinforcing the instruction of students in writing following written and oral lesson plans developed by licensed teachers.

(b) Upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school must provide administrative assistance to the paraprofessional when completing the competencies required under this subdivision.

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

Sec. 4. Minnesota Statutes 2024, section 124D.231, is amended to read:

124D.231 FULL-SERVICE COMMUNITY SCHOOLS.

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

(a) "Community organization" means a community center, university, nonprofit organization ~~that has~~, or other community-based organization focused on providing service to a specific geographic area. The partnering organization must have been in existence for three years or more and ~~serves~~ serve persons within the community surrounding the covered school site on education and other issues.

(b) "Community school consortium" means ~~a group of schools and community organizations~~ a partnership between at least one school and at least one community organization that propose to work together to plan and implement community school programming.

(c) "Community school programming" means services, activities, and opportunities described under subdivision ~~2, paragraph (f)~~ 2c.

(d) "Community-wide full-service community school leadership team" means a district-level team that is responsible for guiding the vision, policy, resource alignment, implementation, oversight, and goal setting for community school programs within the district. This team ~~shall~~ may include

representatives from the district, including teachers, school leaders, students, and family members from the eligible schools; community members; system-level partners that include representatives from government agencies, relevant unions, and nonprofit and other community-based partners; and, if applicable, the full-service community school initiative director.

(e) "Full-service community school initiative director" means a director responsible for coordinating districtwide administrative and leadership assistance to community school sites and site coordinators, including serving as chairperson for the district's community-wide full-service community school leadership team; site coordinator support; data gathering and evaluation; administration of partnership and data agreements, contracts, and procurement; and grant administration.

(f) "High-quality child care or early childhood education programming" means educational programming for preschool-aged children that is grounded in research, consistent with best practices in the field, and provided by licensed teachers.

(g) "School site" means a school site at which an applicant has proposed or has ~~been funded to provide~~ provided community school programming.

(h) "Site coordinator" means a full-time staff member serving one eligible school who is responsible for the identification, implementation, and coordination of programming to address the needs of the school community identified in the baseline analysis.

Subd. 2. **Full-service community school program.** (a) The commissioner shall provide funding to districts and charter schools with eligible school sites to plan, implement, and improve full-service community schools. Eligible school sites must meet one of the following criteria:

(1) the school is on a development plan for continuous improvement under section 120B.35, subdivision 2; or

(2) the school is in a district that has an achievement and integration plan approved by the commissioner of education under sections 124D.861 and 124D.862.

(b) Districts and charter schools may receive up to:

(1) $100,000 for each eligible school available for up to one year to fund planning activities, including convening a full-service community school leadership team, facilitating family and community stakeholder engagement, conducting a baseline analysis, and creating a full-service community school plan. At the end of this period, the school must submit a full-service community school plan pursuant to ~~paragraphs (d) and (e)~~ subdivisions 2a and 2b; and

(2) $200,000 annually for each eligible school for up to three years of implementation of a full-service community school plan, pursuant to ~~paragraphs (f) and (g)~~ subdivision 2c. School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site. Districts or charter schools receiving funding under this section for three or more schools shall provide or contract with a partner agency to provide a full-service community school initiative director.

(c) The commissioner shall consider additional school factors when dispensing funds including: schools with significant populations of students ~~receiving~~ eligible for free or reduced-price meals; significant homeless and highly mobile rates; equity among urban, suburban, and greater Minnesota schools; and demonstrated success implementing full-service community school programming. In prioritizing and dispensing funds, the commissioner must not prioritize existing full-service community school sites based upon previous funding sources. The commissioner must fund programs in the following priority order:

(1) existing full-service community school sites with demonstrated readiness to execute the full-service community school model, including an established consortium partner, at least one full-time site coordinator, established family engagement processes, extended day and enrichment activities, and ability to comply with the school review process under subdivision 3;

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

(3) any other applicants.

Subd. 2a. **School leadership team.** ~~(d)~~ (a) To be eligible for funding under this section, a school site must establish a full-service community school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming. The school leadership team ~~shall~~ must have at least 12 members ~~and shall meet~~, including but not limited to the following ~~requirements~~ representatives:

(1) at least ~~30 percent of the~~ two members who are parents, guardians, family members, or students ~~and 30 percent of the~~ at the school site;

(2) at least two members who are teachers or school leaders at the school site ~~and must include~~;

(3) the school principal; and

(4) representatives from partner agencies~~; and~~ or the community.

~~(2)~~ (b) The full-service community school leadership team must be responsible for overseeing the baseline analyses under ~~paragraph (e)~~ subdivision 2b and the creation of a full-service community school plan under ~~paragraphs (f) and (g)~~ subdivision 2c. A full-service community school leadership team must meet at least quarterly and have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and ~~shall~~ must issue recommendations to schools on a regular basis and summarized in an annual report. These reports ~~shall also~~ must be made available to the public at the school site and on school and district websites.

Subd. 2b. **Baseline analysis.** ~~(e)~~ To be eligible for funding under this section, school sites must complete a baseline analysis prior to the creation of a full-service community school plan. The analysis ~~shall~~ must include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, including the following elements:

(i) identification of challenges facing the school;

(ii) analysis of the student body, including:

(A) number and percentage of students with disabilities and needs of these students;

(B) number and percentage of students who are English learners and the needs of these students;

(C) number of students who are homeless or highly mobile;

(D) number and percentage of students receiving free or reduced-price meals and the needs of these students; and

(E) number and percentage of students by race and ethnicity;

(iii) analysis of enrollment and retention rates for students with disabilities, English learners, homeless and highly mobile students, and students receiving free or reduced-price meals;

(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including but not limited to American Indian students and students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price meals are represented among students subject to such actions;

(v) analysis of school achievement data disaggregated by major demographic categories, including but not limited to race, ethnicity, English learner status, disability status, and free or reduced-price meals status;

(vi) analysis of current parent engagement strategies and their success; and

(vii) evaluation of the need for and availability of full-service community school activities, including, but not limited to:

(A) integrated student supports that address out-of-school barriers to learning through partnerships with social and health service agencies and providers, and may include medical, dental, vision care, and mental health services or counselors to assist with housing, transportation, nutrition, immigration, or criminal justice issues;

(B) expanded and enriched learning time and opportunities, including before-school, after-school, weekend, and summer programs that provide additional academic instruction, individualized academic support, enrichment activities, and learning opportunities that emphasize real-world learning and community problem solving and may include art, music, drama, creative writing, hands-on experience with engineering or science, tutoring and homework help, or recreational programs that enhance and are consistent with the school's curriculum;

(C) active family and community engagement that brings students' families and the community into the school as partners in education and makes the school a neighborhood hub, providing adults with educational opportunities that may include adult English as a second language classes, computer skills, art, or other programs that bring community members into the school for meetings or events; and

(D) collaborative leadership and practices that build a culture of professional learning, collective trust, and shared responsibility and include a school-based full-service community school leadership

team, a full-service community school site coordinator, a full-service community school initiative director, a community-wide leadership team, other leadership or governance teams, teacher learning communities, or other staff to manage the joint work of school and community organizations;

(2) a baseline analysis of community assets, including documentation of individuals in the community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies that may be able to provide support and resources; and

(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, including:

(i) the need for high-quality, full-day child care and early childhood education programs;

(ii) the need for physical and mental health care services for children and adults; and

(iii) the need for job training and other adult education programming.

Subd. 2c. **School plan.** ~~(f)~~ (a) Each school site receiving funding under this section must develop a full-service community school plan that utilizes and aligns district and community assets and establishes services in at least two of the following types of programming:

(1) early childhood:

(i) early childhood education; and

(ii) child care services;

(2) academic:

(i) academic support and enrichment activities, including expanded learning time;

(ii) summer or after-school enrichment and learning experiences;

(iii) job training, internship opportunities, and career counseling services;

(iv) programs that provide assistance to students who have been chronically absent, truant, suspended, or expelled; and

(v) specialized instructional support services;

(3) parental involvement:

(i) programs that promote parental involvement and family literacy;

(ii) parent leadership development activities that empower and strengthen families and communities, provide volunteer opportunities, or promote inclusion in school-based leadership teams; and

(iii) parenting education activities;

(4) mental and physical health:

(i) mentoring and other youth development programs, including peer mentoring and conflict mediation;

(ii) juvenile crime prevention and rehabilitation programs;

(iii) home visitation services by teachers and other professionals;

(iv) developmentally appropriate physical education;

(v) nutrition services;

(vi) primary health and dental care; and

(vii) mental health counseling services;

(5) community involvement:

(i) service and service-learning opportunities;

(ii) adult education, including instruction in English as a second language; and

(iii) homeless prevention services;

(6) positive discipline practices; and

(7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.

~~(g)~~ (b) The full-service community school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:

(1) timely establishment and consistent operation of the school leadership team;

(2) maintenance of attendance records in all programming components;

(3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

(4) documentation of meaningful and sustained collaboration between the school and community stakeholders, including local governmental units, civic engagement organizations, businesses, and social service providers;

(5) establishment and maintenance of partnerships with institutions, such as universities, hospitals, museums, or not-for-profit community organizations to further the development and implementation of community school programming;

(6) ensuring compliance with the district nondiscrimination policy; and

(7) plan for school leadership team development.

Subd. 3. **Full-service community school review.** (a) A full-service community school site receiving funding under this section must submit to the commissioner, and make available at the school site and online, a report describing efforts to integrate community school programming at each covered school site and the effect of the transition to a full-service community school on participating children and adults. This report shall include, but is not limited to, the following:

(1) an assessment of the effectiveness of the school site in development or implementing the community school plan;

(2) problems encountered in the design and execution of the community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(3) the operation of the school leadership team and its contribution to successful execution of the community school plan;

(4) recommendations for improving delivery of community school programming to students and families;

(5) the number and percentage of students receiving community school programming who had not previously been served;

(6) the number and percentage of nonstudent community members receiving community school programming who had not previously been served;

(7) improvement in retention among students who receive community school programming;

(8) improvement in academic achievement among students who receive community school programming;

(9) changes in student's readiness to enter school, active involvement in learning and in their community, physical, social and emotional health, and student's relationship with the school and community environment;

(10) an accounting of anticipated local budget savings, if any, resulting from the implementation of the program;

(11) improvements to the frequency or depth of families' involvement with their children's education;

(12) assessment of community stakeholder satisfaction;

(13) assessment of institutional partner satisfaction;

(14) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(15) increases in access to services for students and their families; and

(16) the degree of increased collaboration among participating agencies and private partners.

(b) Reports submitted under this section shall be evaluated by the commissioner with respect to the following criteria:

(1) the effectiveness of the school or the community school consortium in implementing the full-service community school plan, including the degree to which the school site navigated difficulties encountered in the design and operation of the full-service community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(2) the extent to which the project has produced lessons about ways to improve delivery of community school programming to students;

(3) the degree to which there has been an increase in the number or percentage of students and nonstudents receiving community school programming;

(4) the degree to which there has been an improvement in retention of students and improvement in academic achievement among students receiving community school programming;

(5) local budget savings, if any, resulting from the implementation of the program;

(6) the degree of community stakeholder and institutional partner engagement;

(7) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(8) increases in access to services for students and their families; and

(9) the degree of increased collaboration among participating agencies and private partners.

Sec. 5. Minnesota Statutes 2024, section 124D.42, subdivision 9, is amended to read:

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

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

Sec. 6. Minnesota Statutes 2024, section 124D.861, subdivision 3, is amended to read:

Subd. 3. **Public engagement; progress report and budget process.** (a) To receive revenue under section 124D.862, the school board of an eligible district must incorporate school and district plan components under section 120B.11 into the district's comprehensive integration plan.

(b) A school board must hold at least one formal annual hearing to publicly report its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with

longitudinal data demonstrating district and school progress in reducing the disparities in student academic performance among the specified categories of students, in improving students' equitable access to effective and more diverse teachers, and in realizing racial and economic diversity and integration, consistent with the district plan and the measures in paragraph (a). At least 30 days before the formal hearing under this paragraph, the board must post its plan, its preliminary analysis, relevant student performance data, and other longitudinal data on the district's website. A district must hold one hearing to meet the hearing requirements of both this section and section 120B.11. Annually by October 15, a school board must submit a report of its progress in realizing the goals identified in its comprehensive integration plan to the commissioner of education in the form and manner determined by the commissioner.

(c) The district must submit a detailed budget to the commissioner by March 15 in the year before it implements its plan. The commissioner must review, and approve or disapprove the district's budget by June 1 of that year.

(d) The longitudinal data required under paragraph (b) must be based on student growth and progress in reading and mathematics, as defined under section 120B.303, and student performance data and achievement reports from fully adaptive reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016 school year under section 120B.302, and either (i) school enrollment choices, (ii) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1a, or the number of state bilingual and multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d). Additional longitudinal data may be based on: students' progress toward career and college readiness under section 120B.307; or rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

Sec. 7. Minnesota Statutes 2024, section 124D.861, subdivision 4, is amended to read:

Subd. 4. **Timeline and implementation.** A board must approve its plan and submit it to the department by March 15. If a district that is part of a multidistrict council applies for revenue for a plan, the individual district shall not receive revenue unless it ratifies the plan adopted by the multidistrict council. Each plan has a term of three years. ~~For the 2014-2015 school year, an eligible district under this section must submit its plan to the commissioner for review by March 15, 2014. For the 2013-2014 school year only, an eligible district may continue to implement its current plan until the commissioner approves a new plan under this section.~~

Sec. 8. Minnesota Statutes 2024, section 124D.862, subdivision 1, is amended to read:

Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible district's initial achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue under subdivision 2, or the sum of (1) $350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) In each year, an amount equal to ~~0.3~~ 1.3 percent of each district's initial achievement and integration revenue for the second prior fiscal year is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.

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

Sec. 9. Minnesota Statutes 2024, section 124D.862, subdivision 8, is amended to read:

Subd. 8. **Commissioner authority to withhold revenue.** (a) The commissioner must review the results of each district's integration and achievement plan by ~~August~~ January 1 at the end of the third year of implementing the plan and determine if the district met its goals.

(b) If a district met its goals, it may submit a new three-year plan to the commissioner for review.

(c) If a district has not met its goals, the commissioner must:

(1) guide the district in the development of an improvement plan and timeline that identifies strategies and practices designed to meet the district's goals under this section and section 120B.11; and

(2) direct the district to use up to 20 percent of the district's integration revenue, until the district's goals are reached, to implement the improvement plan.

Sec. 10. Minnesota Statutes 2024, section 124D.98, is amended to read:

124D.98 LITERACY ~~INCENTIVE~~ AID.

Subdivision 1. **Literacy ~~incentive~~ aid.** For fiscal year 2026, a district's literacy ~~incentive~~ aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3. For fiscal year 2027 and later, a district's literacy aid equals the sum of the basic literacy aid under subdivision 6, English learner literacy aid under subdivision 7, and targeted literacy aid under subdivision 8.

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

(b) "English learner concentration factor" means the ratio of: (1) the district's adjusted average daily membership of English learners under section 124D.59, subdivision 2, for the previous fiscal year; to (2) the district's total adjusted average daily membership for the previous fiscal year.

(c) "Poverty concentration factor" means the ratio of: (1) the sum of the number of pupils enrolled in the district eligible to receive free meals, plus one-half of the pupils eligible to receive reduced-priced meals on October 1 of the previous fiscal year; to (2) the number of pupils enrolled in the district on October 1 of the previous fiscal year.

Subd. 2. **Proficiency aid.** The proficiency aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage

of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times $530.

Subd. 3. **Growth aid.** The growth aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school making medium or high growth, under subdivision 4, on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times $530.

Subd. 4. **Medium and high growth.** (a) The definitions in this subdivision apply to this section.

(b) "Medium growth" is an assessment score within one-half standard deviation above or below the average year-two assessment scores for students with similar year-one assessment scores.

(c) "High growth" is an assessment score one-half standard deviation or more above the average year-two assessment scores for students with similar year-one assessment scores.

Subd. 5. **Literacy ~~incentive~~ aid uses.** A school district must use its literacy ~~incentive~~ aid to ~~support implementation of evidence-based reading instruction~~ meet the requirements and goals adopted in the district's local literacy plan under section 120B.12, subdivision 4a. ~~The following are eligible uses of literacy incentive aid:~~

~~(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;~~

~~(2) evidence-based training using a training program approved by the Department of Education under the Read Act;~~

~~(3) employing or contracting with a literacy lead, as defined in section 120B.119;~~

~~(4) employing an intervention specialist;~~

~~(5) approved screeners, materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based;~~

~~(6) costs of substitute teachers to allow teachers to complete required training during the teachers' contract day; and~~

~~(7) stipends for teachers completing training required under section 120B.12.~~

Subd. 6. **Basic literacy aid.** (a) A district's basic literacy aid equals the product of: (1) the basic literacy aid allowance; and (2) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The basic literacy aid allowance equals $100 for fiscal year 2027 and later.

Subd. 7. **English learner literacy aid.** (a) A district's English learner literacy aid equals the product of: (1) the English learner literacy aid allowance; (2) the district's English learner concentration factor; and (3) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The English learner literacy aid allowance equals $187.75 for fiscal year 2027 and later.

Subd. 8. **Targeted literacy aid.** (a) A district's targeted literacy aid equals the product of: (1) the statewide targeted literacy aid allowance; (2) the district's poverty concentration factor; and (3) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The statewide targeted literacy aid allowance equals $45 for fiscal year 2027 and later.

Subd. 9. **Free and reduced-price meals.** The commissioner must determine the number of children eligible to receive either a free or reduced-price meal on October 1 each year by means of direct certification or through the application for educational benefits. Children enrolled in a district on October 1 and determined to be eligible to receive free or reduced-price meals by December 15 of that school year must be counted as eligible on October 1 for purposes of aid under this section. The commissioner may use federal definitions for these purposes and may adjust these definitions as appropriate. The commissioner may adopt reporting guidelines to ensure accuracy of data counts and eligibility. Districts must use any guidelines adopted by the commissioner.

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

Sec. 11. Laws 2023, chapter 55, article 2, section 64, subdivision 16, as amended by Laws 2024, chapter 115, article 2, section 16, is amended to read:

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

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

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

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

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

(3) any other applicants.

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

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

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

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

Sec. 12. Laws 2023, chapter 55, article 2, section 64, subdivision 20, is amended to read:

Subd. 20. **Innovation service learning grants.** (a) For innovative service-learning grants under article 2, section 59:

$	1,000,000	.....	2024
$	0	.....	2025

(b) ~~Any balance in the first year does not cancel but is available in the second year~~ This appropriation is available until June 30, 2026.

(c) The base for fiscal year 2026 and later is $0.

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

Sec. 13. Laws 2023, chapter 55, article 3, section 11, subdivision 3, as amended by Laws 2024, chapter 115, article 3, section 4, is amended to read:

Subd. 3. **Read Act literacy aid.** (a) For state aid for school districts, charter schools, and cooperative units for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy:

$	35,000,000	.....	2024

(b) The aid amount for each school district, charter school, and cooperative unit providing direct instructional services equals the greater of $2,000 or $39.94 times the number of students served by the school district, charter school, or cooperative as determined by the fall 2023 enrollment count of students.

(c) A school district, charter school, or cooperative unit must place any aid received under this subdivision in a reserved account in the general fund. Aid in the reserved account must be used to implement requirements under the Read Act or for literacy incentive aid uses under Minnesota Statutes, section 124D.98, subdivision 5.

(d) Of this amount, up to $250,000 is available for administration.

(e) On June 29, 2025, $250,000 from the fiscal year 2024 appropriation for administration is canceled to the general fund.

(f) This is a onetime appropriation and is available until June 30, 2025.

~~(f)~~ (g) This aid is 100 percent payable in fiscal year 2025.

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

Sec. 14. Laws 2024, chapter 115, article 3, section 7, subdivision 4, is amended to read:

Subd. 4. **Administrative process.** (a) Within 30 days of entering into a memorandum of understanding or adopting a plan under subdivision 1, a district must pay the required compensation to an eligible teacher in accordance with the memorandum of understanding or plan.

(b) The Minnesota School Boards Association and Education Minnesota are encouraged to collaborate to develop one or more model memoranda of understanding and make the memoranda available to districts by July 1, 2024.

(c) The Bureau of Mediation Services must make mediators available to aid districts and exclusive representatives in reaching agreement on the memoranda of understanding required under this section.

(d) A district that by August 1, 2025, has not entered into a memorandum of understanding with the exclusive representative of teachers providing how funding under this section may be used must use the funding to pay each teacher eligible for compensation under subdivision 3 a stipend in an amount equal to the funding the district received divided by the number of eligible teachers in the district. The district must pay the stipend to the eligible teachers by September 1, 2025.

Sec. 15. Laws 2024, chapter 115, article 3, section 8, subdivision 4, is amended to read:

Subd. 4. **Regional literacy network paraprofessional and volunteer training.** (a) For the regional literacy networks to develop and administer training for paraprofessionals and volunteers that regularly provide ~~Tier 2~~ literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4:

$ 375,000 2025

(b) This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 16. **APPROPRIATION CANCELLATION; CAREI PARAPROFESSIONAL AND VOLUNTEER TRAINING.**

The fiscal year 2025 appropriation in Laws 2024, chapter 115, article 3, section 8, subdivision 5 for CAREI paraprofessional and volunteer training in the amount of $375,000 is canceled to the general fund on June 30, 2025.

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

Sec. 17. **APPROPRIATIONS.**

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

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

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

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

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

Subd. 3. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

$	96,453,000	.....	2026
$	99,135,000	.....	2027

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

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

Subd. 4. **College entrance examination reimbursement.** (a) To reimburse districts for the costs of college entrance examination fees for students who are eligible for free or reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 16:

$	1,011,000	.....	2026
$	1,011,000	.....	2027

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

Subd. 5. **COMPASS and MTSS.** (a) To support the development and implementation of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) school improvement model:

$	13,000,000	.....	2026
$	13,000,000	.....	2027

(b) Of this amount, $5,000,000 each year is to support implementation of MTSS and COMPASS. Funds must be used to support increased capacity at the Department of Education and the Minnesota service cooperatives for implementation supports. Funds may be used to contract with the University of Minnesota Center for Applied Research and Educational Improvement to support implementation and evaluation of the MTSS framework.

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 6. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

$	4,000,000	.....	2026
$	4,000,000	.....	2027

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

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

Subd. 7. **Ethnic studies community consultation.** To consult with community members throughout Minnesota on the development of ethnic studies curricula, resources, and implementation support:

$	150,000	.....	2026
$	150,000	.....	2027

Subd. 8. **Ethnic studies school grants.** (a) For competitive grants to school districts, charter schools, and Tribal contract schools to develop, evaluate, and implement ethnic studies courses:

$	700,000	.....	2026
$	700,000	.....	2027

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

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

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

Subd. 9. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and for training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

$	4,500,000	.....	2026
$	4,500,000	.....	2027

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

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

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

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

Subd. 10. **Full-service community schools.** (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

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

(b) Up to two percent of the appropriation in each year is available for grant administration.

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

Subd. 11. **Grants to increase science, technology, engineering, and math course offerings.** (a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

$	250,000	.....	2026
$	250,000	.....	2027

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

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

(d) Up to three percent of the appropriation in each year is available for grant administration.

Subd. 12. **Implementation of education on the Holocaust, genocide of Indigenous Peoples, and other genocides.** For implementation of requirements for education on the Holocaust, genocide of Indigenous Peoples, and other genocides under Minnesota Statutes, section 120B.252:

$	75,000	.....	2026
$	75,000	.....	2027

Subd. 13. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

$	16,396,000	.....	2026
$	18,157,000	.....	2027

Subd. 14. **Literacy aid.** (a) For literacy aid under Minnesota Statutes, section 124D.98:

$	40,686,000	.....	2026
$	40,897,000	.....	2027

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

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

Subd. 15. **Minnesota Center for the Book programming.** (a) For grants to the entity designated by the Library of Congress as the Minnesota Center for the Book to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the Center for the Book designation:

$	200,000	.....	2026
$	200,000	.....	2027

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

Subd. 16. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

$	625,000	.....	2026
$	625,000	.....	2027

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

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

(d) The base for fiscal year 2028 and later is $0.

Subd. 17. **Minnesota math corps.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

$	2,000,000	.....	2026
$	1,000,000	.....	2027

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

Subd. 18. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

$	200,000	.....	2026
$	200,000	.....	2027

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

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

Subd. 19. **Museums and education centers.** (a) For grants to museums and education centers:

$	1,791,000	.....	2026
$	1,791,000	.....	2027

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

(c) $106,000 each year is for the Children's Museum of Rochester.

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

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

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

(g) $132,000 each year is for The Works Museum, Bloomington.

(h) $89,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter.

(i) $82,000 each year is for the Otter Cove Children's Museum, Fergus Falls.

(j) $82,000 each year is for the Children's Discovery Museum, Grand Rapids.

(k) $82,000 each year is for the Wheel and Cog Children's Museum, Hutchinson.

(l) $82,000 each year is for the Village Children's Museum, Willmar.

(m) $89,000 each year is for the Duluth Children's Museum, Duluth.

(n) $132,000 each year is for the Children's Museum of Southern Minnesota, Mankato.

(o) $132,000 each year is for the Great River Children's Museum, St. Cloud.

(p) $82,000 each year is for the Children's Discovery Museum, Breckenridge.

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

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

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

Subd. 20. **Nonexclusionary discipline.** (a) For grants to school districts and charter schools to provide training for school staff on nonexclusionary disciplinary practices:

$	1,750,000	.....	2026
$	1,750,000	.....	2027

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

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

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

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

Subd. 21. **P-TECH schools.** (a) For P-TECH implementation grants under Minnesota Statutes, section 124D.093, subdivision 5:

$	791,000	.....	2026
$	791,000	.....	2027

(b) The department may award start-up and mentoring and technical assistance grants beginning in fiscal year 2026. Of the amount in fiscal year 2026, at least $500,000 is for a support grant to a

public-private partnership that includes Independent School District No. 535, Rochester. Of the amount in fiscal year 2027, at least $250,000 is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester.

(c) The department may retain money from this appropriation for administrative costs under Minnesota Statutes, section 124D.093, subdivision 5.

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

(e) The base for fiscal year 2028 and later is $791,000, of which at least $250,000 each year is for a support grant to a public-private partnership that includes Independent School District No. 535, Rochester.

Subd. 22. **Paraprofessional training.** (a) For compensation associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 121A.642:

$	4,721,000	.....	2026
$	5,000,000	.....	2027

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

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

Subd. 23. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

$	750,000	.....	2026
$	750,000	.....	2027

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

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

Subd. 24. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

$	900,000	.....	2026
$	900,000	.....	2027

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

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

Subd. 25. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, sections 120B.302 and 120B.305:

$	10,892,000	.....	2026
$	10,892,000	.....	2027

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

Subd. 26. **Student organizations.** (a) For elementary or secondary student organizations:

$	1,084,000	.....	2026
$	1,084,000	.....	2027

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

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

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

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

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

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

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

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

Subd. 27. **Read Act school leader and literacy instructor professional development.** (a) To offer training to school leaders and administrators from elementary and secondary schools and literacy instructors from institutions of higher education:

$	375,000	.....	2026

(b) Training provided with funding under this subdivision must be a department approved evidence-based training program.

(c) This is a onetime appropriation and is available until June 30, 2027.

Subd. 28. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and service cooperatives:

$	8,000,000	.....	2026
$	7,750,000	.....	2027

(b) Of the amounts in paragraph (a), $6,750,000 in fiscal year 2026 and $6,500,000 in fiscal year 2027 are for the Department of Education and the regional literacy networks and $1,250,000 each year is for statewide training. The department must use the funding to develop a data collection system to: (1) collect and analyze the submission of the local literacy plans and student-level universal screening data; (2) establish the regional literacy networks as a partnership between the department and the Minnesota service cooperatives; and (3) administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional

literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured literacy. Each regional literacy network must maintain a literacy lead position and maintain a team of trained literacy coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each region. Funds may be used to provide training in structured literacy to grade 4 and 5 classroom teachers and literacy professors from Minnesota institutions of higher education.

(c) By January 15, 2027, and annually thereafter, the commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision and the service cooperatives.

(d) The regional literacy networks and staff from the Department of Education must provide ongoing support to school districts, charter schools, and service cooperatives implementing evidence-based literacy instruction.

Subd. 29. **Department literacy specialist.** For a full-time literacy specialist at the Department of Education:

$	250,000	.....	2026
$	250,000	.....	2027

Sec. 18. **REPEALER.**

Minnesota Statutes 2024, section 120B.241, subdivisions 2, 4, and 6, are repealed.

ARTICLE 3

TEACHERS

Section 1. Minnesota Statutes 2024, section 120B.117, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The ~~Professional Educator Licensing and Standards Board~~ Department of Education must collaborate with the ~~Department of Education~~ Professional Educator Licensing and Standards Board and the Office of Higher Education to publish a summary report of each of the programs they administer and any other programs receiving state appropriations that have or include an explicit purpose of increasing the racial and ethnic diversity of the state's teacher workforce to more closely reflect the diversity of students. The report must include programs under sections 122A.59, 122A.63, 122A.635, 122A.70, 122A.73, 124D.09, 124D.861, 136A.1274, 136A.1276, and 136A.1791, along with any other programs or initiatives that receive state appropriations to address the shortage of teachers of color and American Indian teachers. The ~~board~~ commissioner must, in coordination with the Professional Educator Licensing and Standards Board and the Office of Higher Education ~~and Department of Education~~, provide policy and funding recommendations related to state-funded programs to increase the recruitment, preparation, licensing, hiring, and retention of racially and ethnically diverse teachers and the state's progress toward meeting or exceeding the goals of this section. The report must include recommendations for state policy and funding needed to achieve the goals of this section, plans for sharing the report and activities of grant recipients, and opportunities among grant recipients of various programs to share effective

practices with each other. The initial report must also include a recommendation of whether a state advisory council should be established to address the shortage of racially and ethnically diverse teachers and what the composition and charge of such an advisory council would be if established. The ~~board~~ commissioner must consult with the Indian Affairs Council and other ethnic councils along with other community partners, including students of color and American Indian students, in developing the report. The ~~board~~ commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over education and higher education policy and finance by November 3, 2025, for the initial report, and by November 3 each even-numbered year thereafter. The report must be available to the public on the ~~board's~~ commissioner's website.

Sec. 2. Minnesota Statutes 2024, section 122A.59, is amended by adding a subdivision to read:

Subd. 6. **Expiration.** This section expires June 30, 2029, and any balance remaining in the account is canceled to the general fund.

Sec. 3. Minnesota Statutes 2024, section 122A.635, is amended to read:

122A.635 COLLABORATIVE URBAN AND GREATER MINNESOTA EDUCATORS OF COLOR GRANT PROGRAM.

Subdivision 1. **Establishment.** The ~~Professional Educator Licensing and Standards Board~~ Department of Education must award competitive grants to increase the number of teacher candidates who are of color or who are American Indian, complete teacher preparation programs, and meet the requirements for a Tier 3 license under section 122A.183. Eligibility for a grant under this section is limited to public or private higher education institutions that offer a teacher preparation program approved by the Professional Educator Licensing and Standards Board.

Subd. 2. **Competitive grants.** (a) The ~~Professional Educator Licensing and Standards Board~~ commissioner must award competitive grants to a variety of higher education institution types under this section. The ~~board~~ commissioner must require an applicant institution to submit a plan describing how it would use grant funds to increase the number of teachers who are of color or who are American Indian~~, and must award grants based on the following criteria, listed in descending order of priority~~. To the extent practicable, the commissioner must award grants based on the following criteria:

(1) program outcomes, including graduation or program completion rates and licensure recommendation rates for candidates who are of color or who are American Indian compared to all candidates enrolled in a teacher preparation program at the institution and, for each outcome measure, the number of teacher candidates who are of color or who are American Indian;

(2) the extent to which an institution's plan is clear in describing how the institution would use grant funds for implementing explicit research-based practices to provide programmatic support to teacher candidates who are of color or who are American Indian. Plans for grant funds may include:

(i) recruiting more racially and ethnically diverse candidates for admission to teacher preparation programs;

(ii) providing differentiated advising, mentoring, or other supportive community-building activities in addition to what the institution provides to all candidates enrolled in the institution;

(iii) providing academic tutoring or support to help teacher candidates pass required assessments; and

(iv) providing for program staffing expenses;

(3) an institution's plan to provide direct financial assistance as scholarships or stipends ~~within the allowable dollar range determined by the board under subdivision 3, paragraph (b),~~ to teacher candidates who are of color or who are American Indian, not to exceed $5,000 per academic year for each candidate. The purpose of direct financial assistance is to provide cost of attendance financial assistance to candidates matriculating through the licensure program if they demonstrate financial need;

(4) whether the institution has previously received a competitive grant under this section and has demonstrated positive outcomes from the use of grant funds for efforts helping teacher candidates who are of color or who are American Indian to enroll in and successfully complete teacher preparation programs and be recommended for licensure;

(5) geographic diversity among the applicant institutions. ~~In order to expand the number of grant recipients throughout the state, whenever there is at least a 20 percent increase in the base appropriation for this grant program, the board must prioritize awarding grants to institutions outside of the Twin Cities metropolitan area. If the board awards a grant based on the criteria in paragraph (a) to a program that has not previously received funding, the board must thereafter give priority to the program equivalent to other programs that have received grants and demonstrated positive outcomes~~ To the extent there are sufficient applications, and to the extent practicable, the commissioner must award an equal number of grants between applicants in greater Minnesota and those in the seven-county metropolitan area; and

(6) the percentage of racially and ethnically diverse teacher candidates enrolled in the ~~institution~~ teacher preparation program compared to~~:~~ the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major.

~~(i) the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major; and~~

~~(ii) the percentage of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.~~

(b) The ~~board~~ commissioner must not penalize an applicant institution in the grant review process for using grant funds only to provide direct financial support to teacher candidates if that is the institution's priority and the institution uses other resources to provide programmatic support to candidates.

(c) The ~~board~~ commissioner must determine award amounts for development, maintenance, or expansion of programs based only on the degree to which applicants meet the criteria in this subdivision, the number of candidates who are of color or who are American Indian supported by an applicant program, and funds available.

(d) ~~The board must determine grant awards in part by multiplying the number of teacher candidates to be provided direct financial assistance by the average amount the institution proposes per candidate that is within the allowable dollar range. After assessing an institution's adherence to grant criteria and funds available, the board may grant an institution a lower average amount per candidate and the institution may decide to award less per candidate or provide financial assistance to fewer candidates within the allowable range. Additionally, an institution may use up to 25 percent of the awarded grant funds to provide programmatic support as described in paragraph (a), clause (3). If the board does not award an applicant institution's full request, the board must allow the institution to modify how it uses grant funds to maximize program outcomes consistent with the requirements of this section.~~ The commissioner must allow an institution to use up to 25 percent of the awarded grant funds to provide programmatic support for the teacher candidates receiving financial support.

Subd. 3. **Grant program administration.** (a) ~~The Professional Educator Licensing and Standards Board may enter into an interagency agreement with the Office of Higher Education. The agreement may include a transfer of funds to the Office of Higher Education to help establish and administer the competitive grant process. The board must award grants to institutions located in various economic development regions throughout the state, but~~ The department must not predetermine the number of institutions to be awarded grants under this section or set a limit for the amount that any one institution may receive as part of the competitive grant application process.

~~(b) The board must establish a standard allowable dollar range for the amount of direct financial assistance an applicant institution may provide to each candidate. To determine the range, the board may collect de-identified data from institutions that received a grant during the previous grant period and calculate the average scholarship amount awarded to all candidates across all institutions using the most recent fiscal year data available. The calculation may be used to determine a scholarship range that is no more than 25 percent of this amount and no less than half the average of this amount. The purpose of direct financial assistance is to assist candidates matriculating through completing licensure programs if they demonstrate financial need after considering other grants and scholarships provided.~~

~~(c)~~ (b) All grants must be awarded by August 15 of the fiscal year in which the grants are to be used. The deadline must be extended if changes to the grant program or appropriation impact the timeline for grant awards. An institution that receives a grant under this section may use the grant funds ~~over a two-~~ up to a four-year period to sustain support for teacher candidates at any stage from recruitment and program admission to graduation and licensure application. For grantees who receive multiple awards that overlap in the same academic years, the maximum combined total of direct financial assistance that an institution may provide to the same teacher candidate in the same academic year is $10,000.

Subd. 4. **Report.** (a) By August 15 of each year, an institution awarded a grant under this section must prepare for the ~~board~~ commissioner a detailed report regarding the expenditure of grant funds, including the amounts used to recruit, retain, and support teacher candidates of color or American Indian teacher candidates to complete programs and be recommended for licensure. The report must include:

(1) the total number of teacher candidates of color and American Indian teacher candidates who:

(i) are enrolled in the institution;

(ii) are supported by grant funds with direct financial assistance during the academic reporting year;

(iii) are supported with other programmatic supports;

(iv) are recruited and newly admitted to a licensure program;

(v) are enrolled in a licensure program;

(vi) have completed a licensure program; and

(vii) were recommended for licensure in the field for which they were prepared;

(2) the total number of teacher candidates of color or American Indian teacher candidates at each stage from program admission to licensure recommendation as a percentage of all candidates seeking the same licensure at the institution; and

(3) a brief narrative describing the successes and challenges of efforts proposed in the grant application to support candidates with grant funds, and lessons learned for future efforts.

(b) By November 1 of each year, the ~~board~~ commissioner must post a report on its website summarizing the activities and outcomes of grant recipients and results that promote sharing of effective practices and lessons learned among grant recipients.

Subd. 5. **Positions transferred.** All classified and unclassified positions associated with the administration of grant programs being transferred to the Department of Education under this section are transferred with their incumbents in accordance with section 15.039, subdivision 7, except as otherwise provided in section 122A.07.

Sec. 4. Minnesota Statutes 2024, section 122A.70, subdivision 2, is amended to read:

Subd. 2. **~~Board~~ Grants.** (a) The ~~Professional Educator Licensing and Standards Board~~ Department of Education must make grant application forms available to sites interested in developing, sustaining, or expanding a mentorship program.

(b) The following ~~applicants~~ are eligible for a program grant:

(1) a school district, charter school, or cooperative unit, on behalf of its participating school sites;

(2) a Tribal contract school;

(3) a coalition of teachers; ~~and~~

(4) a higher education institution;

(5) a nonprofit organization;

(6) a professional organization; and

~~(4)~~ (7) a coalition of two or more applicants that are individually eligible for a grant.

A higher education institution, professional organization, or nonprofit organization ~~may~~ must partner with ~~an eligible grant applicant but is not eligible as a sole applicant for grant funds~~ a school district, charter school, cooperative unit, Tribal contract school, or coalition of teachers to apply for a grant.

(c) The ~~Professional Educator Licensing and Standards Board, in consultation with the teacher mentoring task force,~~ commissioner must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring, professional development, and retention components, and be geographically distributed throughout the state. ~~The Professional Educator Licensing and Standards Board must encourage the selected sites to consider the use of its assessment procedures.~~

Sec. 5. Minnesota Statutes 2024, section 122A.70, subdivision 3, is amended to read:

Subd. 3. **Criteria for selection.** (a) ~~At a minimum,~~ Applicants for grants under subdivision 2 must express commitment to:

(1) allow staff participation;

(2) assess skills of both beginning and mentor teachers;

(3) provide appropriate in-service to needs identified in the assessment;

(4) provide leadership to the effort;

(5) cooperate with higher education institutions or teacher educators;

(6) provide facilities and other resources;

(7) share findings, materials, and techniques with other school districts; and

(8) retain teachers of color and teachers who are American Indian.

(b) The ~~Professional Educator Licensing and Standards Board~~ commissioner must give priority to applications to fund programs to induct, mentor, and retain ~~Tier 2 or Tier 3~~ teachers who are of color or who are American Indian~~,~~ and ~~Tier 2 or Tier 3~~ teachers in licensure shortage areas within the applicant's economic development region.

Sec. 6. Minnesota Statutes 2024, section 122A.70, subdivision 5, is amended to read:

Subd. 5. **Program implementation.** A grant recipient may use grant funds on implementing activities over a period of time up to 24 months. New and expanding mentorship sites that receive a ~~board~~ grant under subdivision 2 to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation.

Sec. 7. Minnesota Statutes 2024, section 122A.70, subdivision 5a, is amended to read:

Subd. 5a. **Grant program administration.** The ~~Professional Educator Licensing and Standards Board~~ commissioner may enter into an interagency agreement with the Office of Higher Education

or the ~~Department of Education~~ Professional Educator Licensing and Standards Board. The agreement may include a transfer of funds to the Office of Higher Education or the ~~Department of Education~~ Professional Educator Licensing and Standards Board to help administer the competitive grant process.

Sec. 8. Minnesota Statutes 2024, section 122A.70, subdivision 6, is amended to read:

Subd. 6. **Report.** By September 30 of each year after receiving a grant, recipients must submit a report to ~~the Professional Educator Licensing and Standards Board~~ the Department of Education on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention. The ~~board~~ commissioner must publish a summary report for the public and submit the report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education policy and finance in accordance with section 3.302 by November 30 of each even year.

Sec. 9. Minnesota Statutes 2024, section 122A.70, is amended by adding a subdivision to read:

Subd. 7. **Positions transferred.** Classified and unclassified positions associated with the administration of grant programs being transferred to the Department of Education under this section are transferred with their incumbents in accordance with section 15.039, subdivision 7, except as otherwise provided in section 122A.07.

Sec. 10. Minnesota Statutes 2024, section 124D.901, subdivision 1, is amended to read:

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

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

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

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

(4) "student support services personnel" means:

(i) an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota~~.~~; or

(ii) an individual not included in item (i) whose work duties primarily consist of activities that reduce chronic student absenteeism; and

(5) "eligible cooperative unit" means an intermediate school district or other cooperative unit that directly serves students.

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

Sec. 11. Minnesota Statutes 2024, section 124D.901, subdivision 2, is amended to read:

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2024, section 124D.901, subdivision 3, is amended to read:

Subd. 3. **Student support personnel aid.** (a) The ~~initial~~ student support personnel aid for ~~a~~ an independent or special school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or ~~$40,000~~ $80,000. The ~~initial~~ student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or ~~$20,000~~ $40,000. Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.

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

~~(c)~~ The student support personnel allowance equals $11.94 for fiscal year 2024, $17.08 for fiscal year 2025, and ~~$48.73~~ $34.24 for fiscal year 2026 and later.

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

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

Sec. 13. Minnesota Statutes 2024, section 124D.901, is amended by adding a subdivision to read:

Subd. 3a. **Student support personnel aid; cooperative units.** (a) The initial cooperative unit aid attributable to each member district of each eligible cooperative unit equals the greater of $40,000 or the product of the adjusted pupil units of the member district and $0.60 for fiscal year 2024, $0.85 for fiscal year 2025, or $2.44 for fiscal year 2026 and later.

(b) The total statewide cooperative unit aid available for distribution under this subdivision equals the sum of the initial amounts calculated for each member district for each eligible cooperative unit under paragraph (a).

(c) Aid for each eligible cooperative unit equals:

(1) $100,000; plus

(2) $10,000 times the number of its member districts in excess of ten.

(d) The commissioner must subtract the sum of the amounts calculated under paragraph (c) from the total aid available under paragraph (b) and distribute any remaining amount as additional aid to each eligible cooperative unit as follows:

(1) 50 percent of the remaining amount must be distributed to each eligible cooperative unit in proportion to the number of member districts of the eligible cooperative unit relative to the total number of member districts for all eligible cooperative units; and

(2) 50 percent of the remaining amount must be distributed to each eligible cooperative unit in proportion to the sum of the adjusted pupil units in each member district of the eligible cooperative unit relative to the total number of adjusted pupil units in each member district for all eligible cooperatives.

(e) Aid under this subdivision must be paid directly to an eligible cooperative unit. Aid to a cooperative unit under this subdivision must not exceed the cooperative unit's actual expenditures.

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

Sec. 14. Minnesota Statutes 2024, section 124D.901, subdivision 4, is amended to read:

Subd. 4. **Allowed uses.** (a) Except as provided in paragraph (d) or subdivision 4a, aid under this section must be used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) For fiscal year 2025, except as provided in paragraph (d) or subdivision 4a, cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number

of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

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

(d) Aid under this section may also be used to pay the costs of:

(1) necessary transportation among school sites for student support services personnel;

(2) training for student support services personnel; or

(3) technology upgrades for student support services personnel.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 15. Minnesota Statutes 2024, section 124D.901, is amended by adding a subdivision to read:

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

(b) For purposes of this subdivision, a school district, charter school, or cooperative unit has declining enrollment for that fiscal year if the school district, charter school, or cooperative unit reports fewer students on its previous fall's enrollment report than for the second previous fall's enrollment report.

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

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later.

Sec. 16. Minnesota Statutes 2024, section 136A.1276, subdivision 4, is amended to read:

Subd. 4. **Report.** An alternative teacher preparation program receiving a grant under this section must submit a report to the commissioner and the Professional Educator Licensing and Standards Board on the grantee's ability to fill teacher shortage areas and positively impact student achievement where data are available and do not identify individual teachers. A grant recipient must submit the report required under this subdivision by January 31, 2018, and each ~~even-numbered~~ subsequent year ~~thereafter~~ this particular grant receives allocated funding. The report must include disaggregated data regarding:

(1) the racial and ethnic diversity of teachers and teacher candidates licensed through the program; and

(2) program participant placement.

Sec. 17. **TRANSFER OF GRANT ADMINISTRATION AND STAFF.**

Subdivision 1. **Transfer of contracts, obligations, and unexpended funds.** All contracts, obligations, and unexpended funds associated with the administration of grant programs under Minnesota Statutes, sections 122A.635 and 122A.70, are transferred from the Professional Educator Licensing and Standards Board to the Department of Education pursuant to Minnesota Statutes, section 15.039, subdivisions 5, 5a, and 6.

Subd. 2. **Transfer of staff; protections; applicability of collective bargaining agreements.** (a) Personnel relating to the administration of grant programs under Minnesota Statutes, sections 122A.635 and 122A.70, with the Professional Educator Licensing and Standards Board are transferred to the Department of Education beginning August 1, 2025, with 30 days notice from the commissioner of management and budget and after approval by the commissioner.

(b) The following protections apply to employees who are transferred to the department from the Professional Educator Licensing and Standards Board to administer grant programs under Minnesota Statutes, sections 122A.635 and 122A.70:

(1) no transferred employee shall have their employment status and job classification altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) any applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for transferred employees after the transfer;

(4) when an employee in a temporary unclassified position is transferred to the department, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the department. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by the commissioner of management and budget is considered to have been hired through that selection process after the transfer; and

(5) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent that the proposed changes are not addressed in the applicable collective bargaining agreement.

Subd. 3. **Future transfer.** (a) If the state transfers ownership or control of any facilities, services, or operations of the department related to the administration of grant programs under Minnesota Statutes, sections 122A.635 and 122A.70, to another private or public entity by subcontract, sale,

assignment, lease, or other transfer, the state must require as a written condition of the transfer of ownership or control the following:

(1) employees who perform work in the facilities, services, or operations related to the administration of grant programs under Minnesota Statutes, sections 122A.635 and 122A.70, must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer; and

(2) the wage and benefit standards of the transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

(b) There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the department related to the administration of grant programs under Minnesota Statutes, sections 122A.635 and 122A.70.

Sec. 18. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

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

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

$	250,000	.....	2026
$	250,000	.....	2027

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

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

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

$	88,717,000	.....	2026
$	87,942,000	.....	2027

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

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

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

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

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

(c) The grant money may be used for:

(1) scholarships for aspiring teachers;

(2) student teacher stipends;

(3) mentoring activities;

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

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

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

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

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

$	100,000	.....	2026
$	100,000	.....	2027

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

Subd. 6. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

$	5,440,000	.....	2026
$	5,440,000	.....	2027

(b) Up to $100,000 of the appropriation in each year is available for grant administration.

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

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

$	375,000	.....	2026
$	375,000	.....	2027

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

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

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

(b) Up to five percent of the appropriation in each year is available for grant administration.

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

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

$	23,954,000	.....	2026
$	23,954,000	.....	2027

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

Subd. 10. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

$	3,500,000	.....	2026
$	3,500,000	.....	2027

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

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

Subd. 11. **Special education apprenticeship programs.** (a) For grants to intermediate school districts for registered special education apprenticeship programs:

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

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

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

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

(3) stipends for teachers serving as mentors; and

(4) the cost of substitute teachers.

(c) Up to $40,000 of the appropriation in each year is available for grant administration.

(d) This is a onetime appropriation.

Subd. 12. **Special education teacher pathway.** (a) For grants to develop special education teacher pathways across Minnesota under Minnesota Statutes, section 122A.77:

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

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

Subd. 13. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

$	58,556,000	.....	2026
$	60,885,000	.....	2027

(b) The 2026 appropriation includes $3,655,000 for fiscal year 2025 and $54,901,000 for fiscal year 2026.

(c) The 2027 appropriation includes $6,099,000 for fiscal year 2026 and $54,786,000 for fiscal year 2027.

Subd. 14. **Student support personnel workforce pathway.** (a) For a grant program to develop a student support personnel workforce pathway focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 19. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated. Any balance in fiscal year 2026 is available in fiscal year 2027.

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

$	205,000	.....	2026
$	208,000	.....	2027

Subd. 3. **Heritage language and culture teachers.** To support an additional licensure pathway program for heritage language and culture teachers under Minnesota Statutes, section 122A.631, including funding for a portfolio liaison and funding for substitute teachers on meeting days, portfolio fees, licensure fees, and licensure exam fees for 50 program participants:

$	319,000	.....	2026
$	322,000	.....	2027

Subd. 4. **Licensure via portfolio online platform.** To complete the licensure via portfolio online platform to streamline the portfolio submission and review process:

$	471,000	.....	2026
$	321,000	.....	2027

Sec. 20. **REVISOR INSTRUCTION.**

The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article 2, section 51, as Minnesota Statutes, section 122A.78.

ARTICLE 4

AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2024, section 122A.63, subdivision 9, is amended to read:

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

(1) any educational certification necessary for employment;

(2) early childhood family education or prekindergarten licensure;

(3) elementary and secondary education;

(4) school administration; or

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

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

(c) For purposes of recruitment, the grantees or their contracted partner institutions must agree to work with their respective organizations to hire an American Indian work-study student or other American Indian staff to conduct initial information queries and to contact persons working in

schools to provide programming regarding education professions to high school students who may be interested in education as a profession.

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

Sec. 2. Minnesota Statutes 2024, section 124D.81, subdivision 2b, is amended to read:

Subd. 2b. **Carry forward of funds.** Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of the American Indian education aid in accordance with the plan in the designated fiscal year, the school district or Tribal contract school may carry forward and expend up to half of the remaining funds in the following fiscal year, and is not subject to an aid reduction if:

(1) the district is otherwise following the plan submitted and approved under subdivision 2;

(2) the American Indian Parent Advisory Committee for the school is aware of and has approved the carry forward ~~and has concurred with~~ for the district's educational offerings extended to American Indian students under section 124D.78;

(3) the funds carried over are used in accordance with section 124D.74, subdivision 1; and

(4) by April 1, the district reports to the Department of Education American Indian education director the reason the aid was not expended in the designated fiscal year, and describes how the district intends to expend the funds in the following fiscal year. The district must report this information in the form and manner determined by the commissioner.

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

Sec. 3. Minnesota Statutes 2024, section 124D.83, subdivision 2, is amended to read:

Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 126C.10, subdivision 2, less $170, times the difference between (i) the resident pupil units as defined in section 126C.05, subdivision 6, in average daily membership, excluding section 126C.05, subdivision 13, and (ii) the number of pupils for the current school year, weighted according to section 126C.05, subdivision 1, ~~receiving benefits under section 123B.42 or 123B.44 or~~ for which the school is receiving reimbursement under section 124D.69;

(2) adding to the result in clause (1) an amount equal to the product of the formula allowance under section 126C.10, subdivision 2, less $300 times the tribal contract compensation revenue pupil units;

(3) subtracting from the result in clause (2) the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program

as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 124D.69;

(4) dividing the result in clause (3) by the sum of the resident pupil units in average daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract compensation revenue pupil units; and

(5) multiplying the sum of the resident pupil units, including section 126C.05, subdivision 13, in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of $3,230 for fiscal year 2019 and 51.17 percent of the formula allowance for fiscal year 2020 and later or the result in clause (4).

Sec. 4. **APPROPRIATIONS.**

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

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

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

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

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

Subd. 3. **Early childhood programs at Tribal contract schools.** (a) For early childhood family education programs at Tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

$	68,000	.....	2026
$	68,000	.....	2027

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

Subd. 4. **Mascot replacement assistance.** (a) For assistance to public schools seeking to comply with Minnesota Statutes, section 121A.041:

$	3,972,000	.....	2026

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

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

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

(e) This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. **Minnesota Indian teacher training program grants.** (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

$	600,000	.....	2026
$	600,000	.....	2027

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

Subd. 6. **Native language revitalization grants to schools.** (a) For grants to school districts, charter schools, and Tribal contract schools to offer language instruction in Dakota and Anishinaabe languages or another language indigenous to the United States or Canada:

$	7,500,000	.....	2026
$	7,500,000	.....	2027

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

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

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

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

Subd. 7. **Permanent school fund supplemental aid.** (a) For permanent school fund supplemental aid to American Indian schools as defined under Minnesota Statutes, section 124D.73:

$	40,000	.....	2026
$	40,000	.....	2027

(b) The permanent school fund supplemental aid for an American Indian school equals the product of:

(1) the amount appropriated under paragraph (a) for that fiscal year; and

(2) the ratio of (i) the average daily membership served of the American Indian school in the prior fiscal year, to (ii) the total average daily membership served of all American Indian schools in the state in the prior fiscal year.

(c) Aid under this subdivision must be paid 100 percent in the current year on a schedule determined by the commissioner.

Subd. 8. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota Statutes, section 124D.83:

$	2,313,000	.....	2026
$	2,554,000	.....	2027

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

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

ARTICLE 5

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2024, section 125A.76, subdivision 2e, is amended to read:

Subd. 2e. **Cross subsidy reduction aid.** (a) A school district's annual cross subsidy reduction aid equals the school district's initial special education cross subsidy for the previous fiscal year times the cross subsidy aid factor for that fiscal year.

(b) The cross subsidy aid factor equals 6.43 percent for fiscal year 2023; 44 percent for fiscal years 2024, 2025, and 2026; ~~and~~ 50 percent for fiscal year 2027; and 53.26 percent for fiscal year 2028 and later.

Sec. 2. **APPROPRIATIONS.**

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

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

$	2,240,000	.....	2026
$	2,570,000	.....	2027

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

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

$	41,000	.....	2026
$	42,000	.....	2027

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

$	2,789,872,000	.....	2026
$	3,023,359,000	.....	2027

(b) The 2026 appropriation includes $322,670,000 for 2025 and $2,467,202,000 for 2026.

(c) The 2027 appropriation includes $347,310,000 for 2026 and $2,676,049,000 for 2027.

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

$	250,000	.....	2026
$	250,000	.....	2027

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

$	4,470,000	.....	2026
$	4,695,000	.....	2027

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

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

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

$	488,000	.....	2026
$	538,000	.....	2027

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

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

ARTICLE 6

FACILITIES, HEALTH, AND SAFETY

Section 1. **[121A.241] CARDIAC EMERGENCY RESPONSE PLAN.**

Subdivision 1. **Cardiac emergency response plan.** (a) For the purposes of this section, a "cardiac emergency response plan" means a written document that establishes specific steps to reduce death from cardiac arrest in a specific setting.

(b) Beginning in the 2026-2027 school year, a school district or charter school must develop a cardiac emergency response plan established by the American Heart Association or other cardiovascular care organization or the model plan developed by the commissioner under section 121A.035, subdivision 1, for cardiac emergencies that occur on school property. At a minimum, the plan must:

(1) establish a school cardiac emergency response team and plan of activation during the event of sudden cardiac arrest;

(2) provide for placement of automated external defibrillators (AEDs) on school grounds following American Heart Association or other nationally recognized cardiovascular care organization guidelines;

(3) provide for routine maintenance of AEDs;

(4) provide for distribution of the plan on school grounds and in coordination with local emergency medical services providers;

(5) provide for annual cardiac emergency response plan drills for school staff and students; and

(6) require the school board to annually review and evaluate the effectiveness of the plan.

Subd. 2. **Cardiac emergency response plan; athletic program.** (a) Beginning in the 2026-2027 school year, a school district or charter school with an athletic department or organized athletic program must develop a cardiac emergency response plan. The plan must be consistent with recommendations or core elements proposed by the American Heart Association or an athletic emergency action plan following nationally recognized recommendations or core elements that are venue specific. At a minimum, a cardiac emergency response plan for athletics must:

(1) provide for venue specific and appropriate use of school personnel to respond to incidents involving an individual experiencing cardiac arrest or a similar life-threatening emergency while attending or participating in an athletic practice or event on school grounds;

(2) provide for AEDs in clearly marked, unlocked, and easily accessible locations at each school athletic venue and event following guidelines established by the American Heart Association or an organization focused on cardiovascular care;

(3) require an AED to be accessible during the school day and on location at a school-sponsored athletic event or team practice when the school's students are participating;

(4) require AEDs to be tested and maintained according to the manufacturer's operational guidelines; and

(5) require appropriate first aid, ambulance, rescue squad, or other appropriate emergency medical services providers notice of the AED, the type of AED, and its location.

(b) A cardiac emergency response plan developed under subdivision 1 may include the requirements of the required plan for the athletic program.

Sec. 2. Minnesota Statutes 2024, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. **Long-term facilities maintenance revenue.** (a) Long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, and roof repair and replacement with an

estimated cost of $100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 142D.08, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2027 and later.

Sec. 3. Minnesota Statutes 2024, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district~~, not including a charter school,~~ must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management and remediation of lead hazards. For fiscal year 2027 and later, the plan must address the maintenance and repair schedule for each school's roof for which funding is requested. For planning purposes, the plan must also address provisions for providing a gender-neutral single-user restroom at each school site.

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

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

Sec. 4. Minnesota Statutes 2024, section 123B.595, subdivision 8, is amended to read:

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

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

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

preceding the year the levy is certified. The equalizing factor equals 123 percent for fiscal year 2026, 125.5 percent for fiscal year 2027, and 127 percent for fiscal year 2028 and later.

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

Sec. 5. Minnesota Statutes 2024, section 123B.595, subdivision 10, is amended to read:

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

(1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities, including repair and replacement of roofs;

(2) increasing accessibility of school facilities;

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 123B.63, subdivision 3, is amended to read:

Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date authorized by section 205A.05, subdivision 1a. A district must meet the requirements of section 123B.71 for projects funded under this section. If a review and comment is required under section 123B.71, subdivision 8, a referendum for a project not receiving a positive review and comment by the commissioner must be approved by at least 60 percent of the voters at the election.

(b) The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

(c) The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, ~~and~~ state the maximum number of years that the levy authorization will apply, and state that the levy authorization approved by the voters may be renewed once by the school board after holding a meeting and allowing public testimony on the proposed renewal.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the capital project levy proposed by the board of ..... School District No. ..... be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years, not to exceed ten, approved.

(d) If the district proposes a new capital project to begin at the time the existing capital project expires and at the same maximum tax rate, the general description on the ballot may state that the capital project levy is being renewed and that the tax rate is not being increased from the previous year's rate. An election to renew authority under this paragraph may be called at any time that is otherwise authorized by this subdivision. The ballot notice required under section 275.60 may be modified to read:

"BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO EXPIRE."

(e) In the event a conjunctive question proposes to authorize both the capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

(f) Notwithstanding the election requirements of this subdivision, a school board may renew an expiring capital projects referendum by board action if:

(1) the annual amount of the referendum is the same as the amount expiring;

(2) the term of the renewed capital projects referendum is no longer than the initial term approved by the voters;

(3) the ballot for the election in which the expiring capital projects referendum was approved by the voters stated that the levy authorization approved by the voters may be renewed once by the school board, consistent with the requirements of paragraph (c), except that the requirement under this clause does not apply to an expiring capital projects referendum that was approved by the voters in an election occurring before November 4, 2025;

(4) the school board, having taken a recorded vote, has adopted a written resolution authorizing the renewal after holding a meeting and allowing public testimony on the proposed renewal; and

(5) the expiring capital projects referendum has not been previously renewed by board action.

(g) A resolution authorized in paragraph (f) must be adopted by the school board no later than June 15 of the year the renewed capital levy is first certified, and becomes effective 60 days after its adoption. A referendum expires in the last fiscal year in which the referendum generates revenue for the school district. A school board may renew an expiring capital projects referendum under this subdivision not more than two fiscal years before the referendum expires. A district renewing an expiring capital projects referendum under this subdivision must submit a copy of the adopted resolution to the commissioner and to the county auditor no later than August 15 of the fiscal year in which the referendum expires.

~~(f)~~ (h) The district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to elections occurring on or after November 4, 2025.

Sec. 7. Minnesota Statutes 2024, section 123B.71, subdivision 8, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2024, section 126C.40, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

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

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

(i) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

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

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

Sec. 9. Minnesota Statutes 2024, section 126C.40, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2024, section 126C.45, is amended to read:

126C.45 ICE ARENA LEVY.

(a) Each year, an independent school district operating and maintaining an ice arena, may levy for the net operational costs of the ice arena. The levy may not exceed the net actual costs of operation of the arena for the previous year. Net actual costs are defined as operating costs less any operating revenues.

(b) Two or more school districts may enter into a cooperation agreement to operate and maintain an ice arena. A district with a cooperation agreement must apportion the qualifying costs and annual levy amount among each cooperating district as specified in the cooperation agreement. Cooperating districts must report the apportionment of the costs and levy to the Department of Education in the form and manner specified by the commissioner.

~~(b)~~ (c) Any district operating and maintaining an ice arena must demonstrate to the satisfaction of the ~~Office of Monitoring in the~~ department that the district will offer equal sports opportunities for male and female students to use its ice arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings.

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

Sec. 11. **APPROPRIATIONS.**

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

Subd. 2. **Cardiac emergency response plan assistance.** (a) To assist school districts and charter schools implementing cardiac emergency response plans under Minnesota Statutes, section 121A.241:

$	2,000,000	.....	2026
$	250,000	.....	2027

(b) Funding may be used for activities and equipment that promote cardiac emergency response plan preparedness in schools, including but not limited to the purchase and maintenance of automated external defibrillators, purchase of cardiopulmonary resuscitation equipment and training for faculty and staff, basic first aid training, and educational materials related to cardiac emergency response preparedness.

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

Subd. 3. **Debt service equalization aid.** (a) For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

$	16,218,000	.....	2026
$	14,327,000	.....	2027

(b) The 2026 appropriation includes $1,986,000 for 2025 and $14,232,000 for 2026.

(c) The 2027 appropriation includes $1,581,000 for 2026 and $12,746,000 for 2027.

Subd. 4. **Equity in telecommunications access.** (a) For equity in telecommunications access:

$	3,750,000	.....	2026
$	3,750,000	.....	2027

(b) If the appropriation amount is insufficient, the commissioner must reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2026 and 2027 must be prorated.

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

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$	1,064,000	.....	2026
$	1,064,000	.....	2027

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education on the number of grants that were awarded each year and the number of grant applications that were unfunded each year.

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

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

$	97,104,000	.....	2026
$	97,910,000	.....	2027

(b) The 2026 appropriation includes $10,719,000 for 2025 and $86,385,000 for 2026.

(c) The 2027 appropriation includes $9,597,000 for 2026 and $88,313,000 for 2027.

Sec. 12. **REPEALER.**

Minnesota Statutes 2024, section 123B.595, subdivision 2, is repealed.

ARTICLE 7

SCHOOL NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2024, section 124D.111, subdivision 2a, is amended to read:

Subd. 2a. **Federal child and adult care food program and federal summer food service program; criteria and notice; board of directors; salaries.** (a) The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program and federal summer food service program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

(b) The commissioner must evaluate financial eligibility as part of the application process. An organization applying to be a prospective nonprofit multisite sponsoring organization for the federal child and adult care food program or the federal summer food service program must provide documentation of financial viability as an organization. Documentation must include:

(1) evidence that the organization has operated for at least one year and has filed at least one tax return;

(2) the most recent tax return submitted by the organization and corresponding forms and financial statements;

(3) a profit and loss statement and balance sheet or similar financial information; and

(4) evidence that at least ten percent of the organization's operating revenue comes from sources other than the United States Department of Agriculture child nutrition program and that the organization has additional funds or a performance bond available to cover at least one month of reimbursement claims.

(c) When a nonprofit organization applies for sponsorship as a multisite sponsoring organization under the federal child and adult care food program or federal summer food service program, applications are evaluated on the following criteria in addition to federal requirements:

(1) any sponsor that applies to receive reimbursement over the federal single audit threshold, as defined in Code of Federal Regulations, title 2, section 200, must ensure a minimum of one full-time equivalent financial director, or similar role, for the organization. This position must be solely dedicated to the responsibilities of a financial director, or similar role, and be separate from any other position within the organization;

(2) volunteers must not be allowed to make organization-level decisions, monitor sites, or provide financial oversight. Board members, whether paid or unpaid, are not considered volunteers; and

(3) unless granted special approval by the commissioner, sponsoring organizations are limited to an annual maximum increase of 25 percent for the number of sponsored sites and total reimbursement.

(d) A nonprofit multisite sponsoring organization must be governed by a board of directors consistent with the following requirements:

(1) board bylaws must outline the procedures for changing the governance structure, following the requirements of chapter 317A;

(2) board of director meetings must comply with chapter 13D governing open meetings; and

(3) a nonprofit multisite sponsoring organization must publish and maintain:

(i) 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; and

(ii) directory information for the board of directors and for the members of committees having board-delegated authority.

(e) The commissioner must post annually on the department's website the approved salary range for the positions of executive director, financial director, monitoring staff, administrative staff, and officer-level positions for multisite sponsoring organizations under the federal child and adult care food program and federal summer food service program. Salaries charged to the nonprofit food service fund must fall within these ranges.

Sec. 2. Minnesota Statutes 2024, section 124D.111, subdivision 3, is amended to read:

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, waste management, and other expenses involving the preparing of meals or the kitchen ~~section~~ or serving area sections of the lunchroom may be charged to the food service fund or to the general fund of the district. For the purposes of this paragraph, the costs of serving food include the costs of technology and systems related to serving line automation and meal tracking. The costs of ~~lunchroom supervision,~~ lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund. Staff whose primary responsibility is financial or program management of food service operations may charge time spent managing the program to the food service fund.

~~That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.~~

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. ~~However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.~~

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for ~~that fiscal year~~ the documented costs of ~~lunchroom supervision,~~ lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c), or costs under paragraph (j), and charge those costs to the food service fund identified by the commissioner in a total amount not to exceed the amount of surplus ~~in the food service fund~~.

(i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs regularly used by pupils in a lunchroom from which they may consume milk, meals, or snacks in connection with school or community service activities.

(j) The costs of kitchen, serving area, lunchroom, and food storage remodeling or reconfiguration, including facility expansion, may not be charged to the food service fund, except as provided under paragraph (h). The costs of plumbing, electrical, air handling, ventilation, or other building utility work necessary to operate equipment essential for food service activities or to remediate food service-related health and safety hazards may not be charged to the food service fund, except as provided under paragraph (h).

Sec. 3. Minnesota Statutes 2024, section 124D.119, subdivision 1, is amended to read:

Subdivision 1. **Summer ~~Food Service~~ Electronic Benefit Transfer Program replacement aid.** State funds are available to compensate ~~department-approved~~ school food authorities who gather student data for the Summer ~~Food Service~~ Electronic Benefit Transfer Program ~~sponsors~~.

Reimbursement shall be made ~~on~~ by December 15 based on ~~total meals served by each sponsor from the end of the school year to the beginning of the next school year~~ the number of pupil units eligible during the Summer Electronic Benefit Transfer Program eligibility year on a pro rata basis.

Sec. 4. Minnesota Statutes 2024, section 124D.992, subdivision 1, is amended to read:

Subdivision 1. **School library aid.** ~~For fiscal year 2024 and later,~~ School library aid for ~~a~~ an independent or special school district equals the greater of ~~$16.11~~ $7.38 times the district's adjusted pupil units for the school year or $40,000. ~~For fiscal year 2024 and later,~~ School library aid for a charter school equals the greater of ~~$16.11~~ $7.38 times the charter school's adjusted pupil units for the school year or $20,000.

Sec. 5. Minnesota Statutes 2024, section 124D.992, subdivision 2, is amended to read:

Subd. 2. **Uses of school library aid.** School library aid must be reserved and used for directly funding the costs of the following purposes within a school library or school library media center, as defined in section 124D.991:

(1) the salaries and benefits of a school library media specialist;

~~(2) electronic, computer, and audiovisual equipment;~~

~~(3) information technology infrastructure and digital tools;~~

~~(4)~~ (2) electronic and material resources; or

~~(5)~~ (3) furniture, equipment, or supplies.

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

Sec. 6. **APPROPRIATIONS.**

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

Subd. 2. **Basic system support.** (a) For basic system support aid under Minnesota Statutes, section 134.355:

$	17,995,000	.....	2026
$	18,372,000	.....	2027

(b) The 2026 appropriation includes $1,752,000 for 2025 and $16,243,000 for 2026.

(c) The 2027 appropriation includes $1,804,000 for 2026 and $16,568,000 for 2027.

Subd. 3. **Electronic library for Minnesota.** (a) For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

$	1,900,000	.....	2026
$	1,900,000	.....	2027

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

Subd. 4. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

$	264,162,000	.....	2026
$	276,392,000	.....	2027

Subd. 5. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

$	57,642,000	.....	2026
$	60,413,000	.....	2027

Subd. 6. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

$	387,000	.....	2026
$	387,000	.....	2027

Subd. 7. **Multicounty, multitype library systems.** (a) For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

$	2,000,000	.....	2026
$	2,000,000	.....	2027

(b) The 2026 appropriation includes $200,000 for 2025 and $1,800,000 for 2026.

(c) The 2027 appropriation includes $200,000 for 2026 and $1,800,000 for 2027.

Subd. 8. **Regional library telecommunications.** (a) For regional library telecommunications aid under Minnesota Statutes, section 134.355:

$	230,000	.....	2026

(b) The 2026 appropriation includes $230,000 for 2025 and $0 for 2026.

Subd. 9. **School library aid.** (a) For school library aid under Minnesota Statutes, section 124D.992:

$	19,120,000	.....	2026
$	18,597,000	.....	2027

(b) The 2026 appropriation includes $2,376,000 for 2025 and $16,744,000 for 2026.

(c) The 2027 appropriation includes $1,861,000 for 2026 and $16,736,000 for 2027.

Subd. 10. **Summer Electronic Benefit Transfer Program.** (a) To support local education agencies uploading data for and administering the Summer Electronic Benefit Transfer Program.

$	150,000	.....	2026
$	150,000	.....	2027

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2024, section 124D.992, subdivision 1a, is repealed.

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

ARTICLE 8

EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2024, section 127A.41, subdivision 8, is amended to read:

Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general fund to the department for any education aid or grant authorized in this chapter and chapters 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections ~~124D.135, 124D.16,~~ 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56, exceeds the amount required, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 126C.20 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations must be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

(b) Transfers for aids paid under section 127A.45, subdivisions 12 and 13, shall be made during the fiscal year after the fiscal year of the entitlement. Transfers for aids paid under section 127A.45, subdivisions 11 and 12a, shall be made during the fiscal year of the appropriation.

Sec. 2. Minnesota Statutes 2024, section 127A.41, subdivision 9, is amended to read:

Subd. 9. **Appropriation transfers for community education programs.** If a direct appropriation from the general fund to the Department of Education for an education aid or grant authorized under section ~~124D.135, 124D.16,~~ 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, or 124D.56 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficiently funded under these sections. Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

Sec. 3. Minnesota Statutes 2024, section 127A.45, subdivision 13, is amended to read:

Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a, 14, and 14a, each fiscal year, all education aids and credits in this chapter ~~and~~; chapters 120A, 120B, 121A,

122A, 123A, 123B, 124D, 124E, 125A, 125B, 126C, and 134~~,~~; and ~~section~~ sections 142D.06, 142D.093, 142D.11, and 273.1392~~,~~ shall be paid at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. For the purposes of this subdivision, a district's estimated entitlement for special education aid under section 125A.76 for fiscal year 2014 and later equals 97.4 percent of the district's entitlement for the current fiscal year. The final adjustment payment, according to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement.

Sec. 4. Minnesota Statutes 2024, section 142D.06, subdivision 4, is amended to read:

Subd. 4. **Funding.** The commissioner and the commissioner of education shall enter into an agreement under which the commissioner of education shall distribute funds appropriated for programs under this section. Funding is subject to sections 127A.41 and 127A.45, subdivision 13.

Sec. 5. Minnesota Statutes 2024, section 142D.08, subdivision 8, is amended to read:

Subd. 8. **Funding.** The commissioner and the commissioner of education shall enter into an agreement under which the commissioner of education shall distribute funds appropriated for programs under this section. Funding is subject to sections 127A.41 and 127A.45, subdivision 13.

Sec. 6. Minnesota Statutes 2024, section 142D.093, is amended to read:

142D.093 DEVELOPMENTAL SCREENING AID.

(a) Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 142D.091. The amount of state aid for each child or student screened shall be: (1) $98 for a child screened at age three; (2) $65 for a child screened at age four; (3) $52 for a child screened at age five or six prior to kindergarten; and (4) $39 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 142D.091. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

(b) The commissioner and the commissioner of education shall enter into an agreement under which the commissioner of education shall distribute funds appropriated for programs under this section. Funding is subject to sections 127A.41 and 127A.45, subdivision 13.

Sec. 7. Minnesota Statutes 2024, section 142D.11, subdivision 1, is amended to read:

Subdivision 1. **Revenue.** The revenue for early childhood family education programs for a school district equals the formula allowance under section 126C.10, subdivision 2, for the year times 0.023 times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of the previous school year.

Sec. 8. Minnesota Statutes 2024, section 142D.11, subdivision 2, is amended to read:

Subd. 2. **Population.** For the purposes of subdivision 1, data reported to the Department of Education may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Sec. 9. Minnesota Statutes 2024, section 142D.11, subdivision 10, is amended to read:

Subd. 10. **Funding.** The commissioner and the commissioner of education shall enter into an agreement under which the commissioner of education shall distribute funds appropriated for programs under this section. Funding is subject to sections 127A.41 and 127A.45, subdivision 13.

Sec. 10. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

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

Subd. 2. **Kindergarten fall assessment.** For the kindergarten fall assessment under Minnesota Statutes, section 124D.162:

$	2,357,000	.....	2026
$	1,743,000	.....	2027

Subd. 3. **Metro Deaf School.** (a) For a grant to Metro Deaf School to provide services to young children who have a primary disability of deaf, deafblind, or hard-of-hearing and who are not eligible for funding under Minnesota Statutes, section 124E.11, paragraph (h):

$	150,000	.....	2026
$	150,000	.....	2027

(b) This is a onetime appropriation.

Sec. 11. **APPROPRIATIONS; DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

Subdivision 1. **Department of Children, Youth, and Families.** The sums indicated in this section are appropriated from the general fund to the Department of Children, Youth, and Families for the fiscal years designated.

Subd. 2. **Developmental screening administrative costs.** (a) For the administrative costs associated with developmental screening under Minnesota Statutes, sections 142D.091 and 142D.093:

$	77,000	.....	2026
$	77,000	.....	2027

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

Subd. 3. **Developmental screening aid.** (a) For transfer to the Department of Education for developmental screening aid under Minnesota Statutes, sections 142D.091 and 142D.093:

$	4,127,000	.....	2026
$	4,083,000	.....	2027

(b) The 2026 appropriation includes $414,000 for 2025 and $3,713,000 for 2026.

(c) The 2027 appropriation includes $412,000 for 2026 and $3,671,000 for 2027.

Subd. 4. **Early childhood family education aid.** (a) For transfer to the Department of Education for early childhood family education aid under Minnesota Statutes, section 142D.11:

$	39,365,000	.....	2026
$	41,300,000	.....	2027

(b) The 2026 appropriation includes $3,792,000 for 2025 and $35,573,000 for 2026.

(c) The 2027 appropriation includes $3,952,000 for 2026 and $37,348,000 for 2027.

Subd. 5. **Early childhood family education support staff.** (a) For the purposes described under Minnesota Statutes, section 142D.10, subdivision 12a:

$	375,000	.....	2026
$	375,000	.....	2027

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

Subd. 6. **Home visiting aid.** (a) For transfer to the Department of Education for home visiting aid under Minnesota Statutes, section 142D.11:

$	245,000	.....	2026
$	222,000	.....	2027

(b) The 2026 appropriation includes $28,000 for 2025 and $217,000 for 2026.

(c) The 2027 appropriation includes $24,000 for 2026 and $198,000 for 2027.

Subd. 7. **School readiness.** For transfer to the Department of Education for revenue for school readiness programs under Minnesota Statutes, sections 142D.05 and 142D.06:

$	33,683,000	.....	2026
$	33,683,000	.....	2027

(b) The 2026 appropriation includes $3,368,000 for 2025 and $30,315,000 for 2026.

(c) The 2027 appropriation includes $3,368,000 for 2026 and $30,315,000 for 2027.

Subd. 8. **Voluntary prekindergarten administrative costs.** (a) For administrative and IT costs associated with the voluntary prekindergarten program under Minnesota Statutes, section 142D.08:

$	691,000	.....	2026
$	691,000	.....	2027

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

ARTICLE 9

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

$	55,281,000	.....	2026
$	56,919,000	.....	2027

(b) The 2026 appropriation includes $5,401,000 for 2025 and $49,880,000 for 2026.

(c) The 2027 appropriation includes $5,542,000 for 2026 and $51,377,000 for 2027.

Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

$	1,560,000	.....	2026
$	1,580,000	.....	2027

(b) The 2026 appropriation includes $151,000 for 2025 and $1,409,000 for 2026.

(c) The 2027 appropriation includes $156,000 for 2026 and $1,424,000 for 2027.

Subd. 4. **Community education aid.** (a) For community education aid under Minnesota Statutes, section 124D.20:

$	10,080,000	.....	2026
$	11,815,000	.....	2027

(b) The 2026 appropriation includes $871,000 for 2025 and $9,209,000 for 2026.

(c) The 2027 appropriation includes $1,023,000 for 2026 and $10,792,000 for 2027.

Subd. 5. **Deaf, deafblind, and hard-of-hearing adults.** (a) For programs for deaf, deafblind, and hard-of-hearing adults under Minnesota Statutes, section 124D.57:

$	70,000	.....	2026

$ 70,000 2027

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

Subd. 6. **High school equivalency tests.** (a) For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

$ 125,000 2026
$ 125,000 2027

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

Subd. 7. **Neighborhood partnership grants.** (a) For neighborhood partnership grants under Minnesota Statutes, section 124D.99:

$ 2,600,000 2026
$ 2,600,000 2027

(b) Of the amounts in paragraph (a), $1,300,000 each year is for the Northside Achievement Zone and $1,300,000 each year is for the St. Paul Promise Neighborhood.

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

Subd. 8. **Regional neighborhood partnership grants.** (a) For regional neighborhood partnership grants under Minnesota Statutes, section 124D.99:

$ 1,400,000 2026
$ 1,400,000 2027

(b) Of the amounts in paragraph (a), $200,000 each year is for the following programs:

(1) Northfield Healthy Community Initiative in Northfield;

(2) Red Wing Youth Outreach Program in Red Wing;

(3) United Way of Central Minnesota in St. Cloud;

(4) Austin Aspires in Austin;

(5) Rochester Area Foundation in Rochester;

(6) Greater Twin Cities United Way for Generation Next; and

(7) Children First and Partnership for Success in St. Louis Park.

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

Subd. 9. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes, section 124D.22:

$ 1,000 2026
$ 1,000 2027

(b) The 2026 appropriation includes $0 for 2025 and $1,000 for 2026.

(c) The 2027 appropriation includes $0 for 2026 and $1,000 for 2027.

ARTICLE 10

STATE AGENCIES

Section 1. Minnesota Statutes 2024, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) The county auditor must, prior to February 1 of each year, certify to the commissioner of education the amount of any excess tax increment that accrued to the district during the preceding year. If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district in the preceding year, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:

(A) section ~~123B.57~~ 123B.595, if the district received ~~health and safety~~ long-term facilities maintenance aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 142D.11, subdivision 3, if the district received early childhood family education aid according to section 142D.11 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year; ~~and~~

(K) section 126C.10, subdivision 2e, if the district received local optional aid according to section 126C.10, subdivision 2e, in the second preceding year; and

(L) section 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds $25,000.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2027 and later, except that the changes to paragraph (a) are effective July 1, 2025.

Sec. 2. Laws 2023, chapter 55, article 12, section 17, subdivision 2, as amended by Laws 2024, chapter 115, article 10, section 3, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

$	47,005,000	.....	2024
$	40,052,000	.....	2025

Of these amounts:

(1) $405,000 each year is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;

(6) $595,000 in fiscal year 2024 and $2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for fiscal year 2026 and later is $2,359,000;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;

(9) $150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;

(10) $150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;

(11) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(12) $800,000 each year is for audit and internal control resources;

(13) $2,000,000 in fiscal year 2024 only is for information technology infrastructure and portfolio resources;

(14) $2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education;

(15) $275,000 in fiscal year 2024 and $175,000 in fiscal year 2025 are for administrative expenses for unemployment aid; and

(16) $130,000 in fiscal year 2025 only is for the state school librarian under Minnesota Statutes, section 127A.151.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2026 and later is $39,667,000.

(e) On June 29, 2025, $1,500,000 from the fiscal year 2025 appropriation for the Office of the Inspector General and $500,000 from the fiscal year 2025 appropriation for engagement and rulemaking related to Specific Learning Disability is canceled to the general fund.

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

Sec. 3. Laws 2023, chapter 55, article 12, section 19, is amended to read:

Sec. 19. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

(a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

$	9,243,000	.....	2024
$	8,435,000	.....	2025

Of these amounts:

(1) $1,150,000 in fiscal year 2024 only is for furniture replacement in the agency's dormitory and classrooms, including costs associated with moving and disposal. These funds may also be used for equipment and technology. This appropriation is available until June 30, 2027; and

(2) $24,000 each year is for unemployment costs.

(b) Except for the amount in paragraph (a), clause (1), any balance in the first year ~~does not cancel but~~ is available in the second year.

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

Sec. 4. **ADMINISTRATIVE COSTS.**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Department of Education may only retain the amounts allocated to it for grant administration costs in the appropriations under this act.

Sec. 5. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Department.** (a) For the Department of Education:

$	46,927,000	.....	2026
$	41,515,000	.....	2027

Of these amounts:

(1) $694,000 in fiscal year 2026 and $594,000 in fiscal year 2027 is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $6,000,000 in fiscal year 2026 only is for legal fees and costs associated with litigation;

(6) $2,359,000 each year is for modernizing district data submissions;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $130,000 each year is for the state school librarian under Minnesota Statutes, section 127A.151;

(9) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(10) $800,000 each year is for audit and internal control resources;

(11) $2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education;

(12) $175,000 each year is for administrative expenses for unemployment aid;

(13) $550,000 each year is for fraud prevention and detection; and

(14) $572,000 each year is for administration of the Summer Electronic Benefits Transfer Program.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

Sec. 6. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

$	17,838,000	.....	2026
$	17,937,000	.....	2027

Of these amounts:

(1) $185,000 each year is for a mental health day treatment program; and

(2) $321,000 each year is for unemployment costs.

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

Sec. 7. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

(a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

$ 8,637,000 2026
$ 8,818,000 2027

(b) $24,000 each year is for unemployment costs.

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

Sec. 8. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** (a) The sums indicated in this section are appropriated from the general fund, unless indicated otherwise, to the Professional Educator Licensing and Standards Board for the fiscal years designated:

$ 3,933,000 2026
$ 4,033,000 2027

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

Subd. 2. **Licensure by portfolio.** (a) For licensure by portfolio:

$ 25,000 2026
$ 25,000 2027

(b) This appropriation is from the education licensure portfolio account in the special revenue fund.

ARTICLE 11

FORECAST

A. GENERAL EDUCATION

Section 1. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws 2024, chapter 81, section 1, and Laws 2024, chapter 115, article 1, section 15, is amended to read:

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

$ 8,103,909,000 2024
~~8,333,843,000~~
$ 8,280,528,000 2025

(b) The 2024 appropriation includes $707,254,000 for 2023 and $7,396,655,000 for 2024.

(c) The 2025 appropriation includes $771,421,000 for 2024 and ~~$7,562,422,000~~ $7,509,107,000 for 2025.

Sec. 2. Laws 2023, chapter 55, article 1, section 36, subdivision 3, as amended by Laws 2024, chapter 81, section 2, is amended to read:

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

$	23,000	.....	2024
	~~25,000~~		
$	23,000	.....	2025

Sec. 3. Laws 2023, chapter 55, article 1, section 36, subdivision 4, as amended by Laws 2024, chapter 81, section 3, is amended to read:

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

$	2,318,000	.....	2024
	~~2,516,000~~		
$	1,503,000	.....	2025

(b) The 2024 appropriation includes $126,000 for 2023 and $2,192,000 for 2024.

(c) The 2025 appropriation includes $243,000 for 2024 and ~~$2,273,000~~ $1,260,000 for 2025.

Sec. 4. Laws 2023, chapter 55, article 1, section 36, subdivision 5, as amended by Laws 2024, chapter 81, section 4, is amended to read:

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

$	7,000	.....	2024
	~~180,000~~		
$	0	.....	2025

(b) The 2024 appropriation includes $7,000 for 2023 and $0 for 2024.

(c) The 2025 appropriation includes $0 for 2024 and ~~$180,000~~ $0 for 2025.

Sec. 5. Laws 2023, chapter 55, article 1, section 36, subdivision 6, as amended by Laws 2024, chapter 81, section 5, is amended to read:

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

$	21,176,000	.....	2024
	~~24,478,000~~		
$	23,337,000	.....	2025

(b) The 2024 appropriation includes $1,925,000 for 2023 and $19,251,000 for 2024.

(c) The 2025 appropriation includes $2,138,000 for 2024 and ~~$22,340,000~~ $21,199,000 for 2025.

Sec. 6. Laws 2023, chapter 55, article 1, section 36, subdivision 7, as amended by Laws 2024, chapter 81, section 6, is amended to read:

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

$	22,979,000	.....	2024
	~~27,177,000~~		
$	25,802,000	.....	2025

(b) The 2024 appropriation includes $2,115,000 for 2023 and $20,864,000 for 2024.

(c) The 2025 appropriation includes $2,318,000 for 2024 and ~~$24,859,000~~ $23,484,000 for 2025.

Sec. 7. Laws 2023, chapter 55, article 1, section 36, subdivision 9, as amended by Laws 2024, chapter 81, section 7, is amended to read:

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

$	1,664,000	.....	2024
	~~874,000~~		
$	937,000	.....	2025

(b) The 2024 appropriation includes $183,000 for 2023 and $1,481,000 for 2024.

(c) The 2025 appropriation includes $164,000 for 2024 and ~~$710,000~~ $773,000 for 2025.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws 2024, chapter 81, section 8, and Laws 2024, chapter 115, article 2, section 13, is amended to read:

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

$	82,818,000	.....	2024
	~~85,043,000~~		
$	84,300,000	.....	2025

(b) The 2024 appropriation includes $8,172,000 for 2023 and $74,646,000 for 2024.

(c) The 2025 appropriation includes $8,294,000 for 2024 and ~~$76,749,000~~ $76,006,000 for 2025.

Sec. 9. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws 2024, chapter 81, section 9, and Laws 2024, chapter 115, article 6, section 3, is amended to read:

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

$	91,457,000	.....	2024
	~~94,906,000~~		
$	93,684,000	.....	2025

(b) The 2024 appropriation includes $9,047,000 for 2023 and $82,410,000 for 2024.

(c) The 2025 appropriation includes $9,156,000 for 2024 and ~~$85,750,000~~ $84,528,000 for 2025.

Sec. 10. Laws 2023, chapter 55, article 2, section 64, subdivision 21, as amended by Laws 2024, chapter 81, section 10, is amended to read:

Subd. 21. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

$	14,828,000	.....	2024
	~~16,413,000~~		
$	14,799,000	.....	2025

Sec. 11. Laws 2023, chapter 55, article 2, section 64, subdivision 23, as amended by Laws 2024, chapter 81, section 11, is amended to read:

Subd. 23. **Literacy incentive aid.** (a) For literacy incentive aid under Minnesota Statutes, section 124D.98:

$	41,071,000	.....	2024
	~~41,588,000~~		
$	40,570,000	.....	2025

(b) The 2024 appropriation includes $4,606,000 for 2023 and $36,465,000 for 2024.

(c) The 2025 appropriation includes $4,051,000 for 2024 and ~~$37,537,000~~ $36,519,000 for 2025.

Sec. 12. Laws 2023, chapter 55, article 2, section 64, subdivision 34, is amended to read:

Subd. 34. **Paraprofessional training.** (a) For compensation associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 121A.642:

$	0	.....	2024
	~~7,230,000~~		
$	1,997,000	.....	2025

(b) The 2025 appropriation includes $0 for 2024 and ~~$7,230,000~~ $1,997,000 for 2025.

Sec. 13. Laws 2023, chapter 55, article 4, section 21, subdivision 2, as amended by Laws 2024, chapter 81, section 12, is amended to read:

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

$	18,131,000	.....	2024
	~~19,672,000~~		
$	19,649,000	.....	2025

(b) The 2024 appropriation includes $1,159,000 for 2023 and $16,972,000 for 2024.

(c) The 2025 appropriation includes $1,885,000 for 2024 and ~~$17,787,000~~ $17,764,000 for 2025.

Sec. 14. Laws 2023, chapter 55, article 4, section 21, subdivision 5, as amended by Laws 2024, chapter 81, section 13, is amended to read:

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

$	1,673,000	.....	2024
	~~2,131,000~~		
$	2,153,000	.....	2025

(b) The 2024 appropriation includes $255,000 for 2023 and $1,418,000 for 2024.

(c) The 2025 appropriation includes $157,000 for 2024 and ~~$1,974,000~~ $1,996,000 for 2025.

C. TEACHERS

Sec. 15. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws 2024, chapter 81, section 14, and Laws 2024, chapter 115, article 5, section 11, is amended to read:

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

$	88,706,000	.....	2024
	~~89,012,000~~		
$	88,206,000	.....	2025

(b) The 2024 appropriation includes $8,824,000 for fiscal year 2023 and $79,882,000 for fiscal year 2024.

(c) The 2025 appropriation includes $8,875,000 for fiscal year 2024 and ~~$80,137,000~~ $79,331,000 for fiscal year 2025.

Sec. 16. Laws 2023, chapter 55, article 5, section 64, subdivision 14, as amended by Laws 2024, chapter 81, section 15, is amended to read:

Subd. 14. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

$	30,255,000	.....	2024
	~~36,498,000~~		
$	36,259,000	.....	2025

(b) The 2024 appropriation includes $0 for fiscal year 2023 and $30,255,000 for fiscal year 2024.

(c) The 2025 appropriation includes $3,361,000 for fiscal year 2024 and ~~$33,137,000~~ $32,898,000 for fiscal year 2025.

D. SPECIAL EDUCATION

Sec. 17. Laws 2023, chapter 55, article 7, section 18, subdivision 2, as amended by Laws 2024, chapter 81, section 16, is amended to read:

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

$	1,597,000	.....	2024
	~~1,844,000~~		
$	1,952,000	.....	2025

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

Sec. 18. Laws 2023, chapter 55, article 7, section 18, subdivision 3, as amended by Laws 2024, chapter 81, section 17, is amended to read:

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

$	39,000	.....	2024
	~~40,000~~		
$	0	.....	2025

Sec. 19. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 18, and Laws 2024, chapter 115, article 7, section 4, is amended to read:

Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

$	2,288,826,000	.....	2024
	~~2,486,181,000~~		
$	2,582,007,000	.....	2025

(b) The 2024 appropriation includes $229,860,000 for 2023 and $2,058,966,000 for 2024.

(c) The 2025 appropriation includes $289,842,000 for 2024 and ~~$2,196,339,000~~ $2,292,165,000 for 2025.

Sec. 20. Laws 2023, chapter 55, article 7, section 18, subdivision 6, as amended by Laws 2024, chapter 81, section 19, is amended to read:

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

$	3,880,000	.....	2024
	~~4,505,000~~		
$	4,282,000	.....	2025

(b) The 2024 appropriation includes $0 for 2023 and $3,880,000 for 2024.

(c) The 2025 appropriation includes $431,000 for 2024 and ~~$4,074,000~~ $3,851,000 for 2025.

Sec. 21. Laws 2023, chapter 55, article 7, section 18, subdivision 7, as amended by Laws 2024, chapter 81, section 20, is amended to read:

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

$	425,000	.....	2024
	~~475,000~~		
$	440,000	.....	2025

(b) The 2024 appropriation includes $32,000 for 2023 and $393,000 for 2024.

(c) The 2025 appropriation includes $43,000 for 2024 and ~~$432,000~~ $397,000 for 2025.

E. FACILITIES

Sec. 22. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws 2024, chapter 81, section 22, and Laws 2024, chapter 115, article 8, section 5, is amended to read:

Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

$	107,905,000	.....	2024
	~~107,865,000~~		
$	107,262,000	.....	2025

(b) The 2024 appropriation includes $10,821,000 for 2023 and $97,084,000 for 2024.

(c) The 2025 appropriation includes $10,787,000 for 2024 and ~~$97,078,000~~ $96,475,000 for 2025.

F. NUTRITION

Sec. 23. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023, chapter 55, article 9, section 16, Laws 2024, chapter 81, section 23, and Laws 2024, chapter 115, article 9, section 8, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

$	218,801,000	.....	2024
	~~239,686,000~~		
$	251,667,000	.....	2025

Sec. 24. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023, chapter 55, article 9, section 17, Laws 2024, chapter 81, section 24, and Laws 2024, chapter 115, article 9, section 9, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

$	44,178,000	.....	2024
	~~48,747,000~~		
$	54,835,000	.....	2025

Sec. 25. Laws 2023, chapter 55, article 9, section 18, subdivision 4, as amended by Laws 2024, chapter 81, section 25, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

$	428,000	.....	2024
	~~428,000~~		
$	387,000	.....	2025

Sec. 26. Laws 2023, chapter 55, article 9, section 18, subdivision 8, as amended by Laws 2024, chapter 81, section 26, is amended to read:

Subd. 8. **School library aid.** (a) For school library aid under Minnesota Statutes, section ~~134.356~~ 124D.992:

$	21,586,000	.....	2024
	~~23,903,000~~		
$	23,791,000	.....	2025

(b) The 2024 appropriation includes $0 for 2023 and $21,586,000 for 2024.

(c) The 2025 appropriation includes $2,398,000 for 2024 and ~~$21,505,000~~ $21,393,000 for 2025.

G. EARLY EDUCATION

Sec. 27. Laws 2023, chapter 54, section 20, subdivision 7, as amended by Laws 2024, chapter 81, section 27, is amended to read:

Subd. 7. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section ~~124D.135~~ 142D.11:

$	37,209,000	.....	2024
	~~38,985,000~~		
$	37,874,000	.....	2025

(b) The 2024 appropriation includes $3,518,000 for 2023 and $33,691,000 for 2024.

(c) The 2025 appropriation includes $3,743,000 for 2024 and ~~$35,242,000~~ $34,131,000 for 2025.

Sec. 28. Laws 2023, chapter 54, section 20, subdivision 9, as amended by Laws 2024, chapter 81, section 28, is amended to read:

Subd. 9. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections ~~121A.17~~ 142D.091 and ~~121A.19~~ 142D.093:

$	4,148,000	.....	2024
	~~4,151,000~~		
$	4,156,000	.....	2025

(b) The 2024 appropriation includes $349,000 for 2023 and $3,799,000 for 2024.

(c) The 2025 appropriation includes $422,000 for 2024 and ~~$3,729,000~~ $3,734,000 for 2025.

Sec. 29. Laws 2023, chapter 54, section 20, subdivision 17, as amended by Laws 2024, chapter 81, section 29, is amended to read:

Subd. 17. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section ~~124D.135~~ 142D.11:

$	382,000	.....	2024
	~~300,000~~		
$	290,000	.....	2025

(b) The 2024 appropriation includes $41,000 for 2023 and $341,000 for 2024.

(c) The 2025 appropriation includes $37,000 for 2024 and ~~$263,000~~ $253,000 for 2025.

H. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 30. Laws 2023, chapter 55, article 11, section 11, subdivision 2, as amended by Laws 2024, chapter 81, section 30, is amended to read:

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

$	52,566,000	.....	2024
	~~53,684,000~~		
$	53,880,000	.....	2025

(b) The 2024 appropriation includes $5,179,000 for 2023 and $47,387,000 for 2024.

(c) The 2025 appropriation includes $5,265,000 for 2024 and ~~$48,419,000~~ $48,615,000 for 2025.

Sec. 31. Laws 2023, chapter 55, article 11, section 11, subdivision 3, as amended by Laws 2024, chapter 81, section 31, is amended to read:

Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

$	710,000	.....	2024
	~~1,520,000~~		
$	1,433,000	.....	2025

(b) The 2024 appropriation includes $71,000 for 2023 and $639,000 for 2024.

(c) The 2025 appropriation includes $71,000 for 2024 and ~~$1,449,000~~ $1,362,000 for 2025.

Sec. 32. Laws 2023, chapter 55, article 11, section 11, subdivision 10, as amended by Laws 2024, chapter 81, section 33, is amended to read:

Subd. 10. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes, section 124D.22:

$	0	.....	2024
	~~1,000~~		
$	0	.....	2025

(b) The 2024 appropriation includes $0 for 2023 and $0 for 2024.

(c) The 2025 appropriation includes $0 for 2024 and ~~$1,000~~ $0 for 2025.

Sec. 33. **EFFECTIVE DATE.**

Article 11 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education finance; modifying provisions for prekindergarten through grade 12 education; providing funding for general education, education excellence, teachers, American Indian education, special education, facilities, health, safety, school nutrition, libraries, early childhood education, community education, and state agencies; making forecast adjustments; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 120B.117, subdivision 4; 120B.124, subdivision 4; 120B.241, subdivision 3; 121A.642, by adding a subdivision; 122A.59, by adding a subdivision; 122A.63, subdivision 9; 122A.635; 122A.70, subdivisions 2, 3, 5, 5a, 6, by adding a subdivision; 123A.485, subdivision 2; 123A.73, subdivisions 4, 5; 123B.595, subdivisions 1, 4, 8, 10; 123B.63, subdivision 3; 123B.71, subdivision 8; 123B.84; 123B.86, subdivisions 1, 3; 123B.87; 123B.92, subdivision 1; 124D.111, subdivisions 2a, 3; 124D.119, subdivision 1; 124D.231; 124D.42, subdivision 9; 124D.65, subdivision 5a; 124D.81, subdivision 2b; 124D.83, subdivision 2; 124D.861, subdivisions 3, 4; 124D.862, subdivisions 1, 8; 124D.901, subdivisions 1, 2, 3, 4, by adding subdivisions; 124D.98; 124D.992, subdivisions 1, 2; 124D.995,

subdivision 6; 124E.20, by adding a subdivision; 125A.76, subdivision 2e; 126C.05, subdivision 3; 126C.10, subdivisions 2, 3, 3c; 126C.17, subdivision 9b; 126C.40, subdivision 1, by adding a subdivision; 126C.45; 127A.41, subdivisions 8, 9; 127A.45, subdivision 13; 127A.47, subdivision 7; 127A.49, subdivision 3; 136A.1276, subdivision 4; 142D.06, subdivision 4; 142D.08, subdivision 8; 142D.093; 142D.11, subdivisions 1, 2, 10; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 7, as amended, 9, as amended, 17, as amended; Laws 2023, chapter 55, article 1, sections 33; 36, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 9, as amended, 12; 37; article 2, section 64, subdivisions 2, as amended, 6, as amended, 16, as amended, 20, 21, as amended, 23, as amended, 34; article 3, section 11, subdivision 3, as amended; article 4, section 21, subdivisions 2, as amended, 5, as amended; article 5, section 64, subdivisions 3, as amended, 14, as amended; article 7, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended; article 8, section 19, subdivision 6, as amended; article 9, section 18, subdivisions 4, as amended, 8, as amended; article 11, section 11, subdivisions 2, as amended, 3, as amended, 10, as amended; article 12, sections 17, subdivision 2, as amended; 19; Laws 2024, chapter 115, article 3, sections 7, subdivision 4; 8, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 121A; repealing Minnesota Statutes 2024, sections 120B.241, subdivisions 2, 4, 6; 123B.40; 123B.41, subdivisions 2, 3, 4, 5, 5a, 6, 7, 8, 12, 14, 15; 123B.42; 123B.43; 123B.44; 123B.45; 123B.46; 123B.47; 123B.48; 123B.595, subdivision 2; 123B.86, subdivision 2; 123B.92, subdivision 9; 124D.992, subdivision 1a."

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

Senator Fateh from the Committee on Higher Education, to which was referred

S.F. No. 2483: A bill for an act relating to higher education; providing funding and policy-related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; modifying certain scholarship and student aid programs; creating and modifying grant programs to higher education institutions; providing authority to the Office of Higher Education for treatment of certain appropriations; providing for certain policy changes to student financial aid, institution eligibility, institutional licensure provisions, student loan programs, and institutional grant programs; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 135A.137; 136A.01, by adding a subdivision; 136A.101, subdivision 5a; 136A.103; 136A.121, subdivisions 5, 6, 7, 13; 136A.1465, subdivisions 1, 2, by adding a subdivision; 136A.155; 136A.162; 136A.1701, subdivision 4; 136A.1796; 136A.658; 136A.69, subdivision 1; 136A.82; 136A.821, subdivisions 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824, subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; repealing Minnesota Statutes 2024, sections 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5.

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 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. **OFFICE OF HIGHER EDUCATION**		
Subdivision 1. **Total Appropriation**	**$ 357,204,000**	**$ 357,423,000**
The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is $319,840,000 in fiscal year 2028 and each year thereafter.		
Subd. 2. **State Grants**	277,326,000	277,326,000
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it. These appropriations are available until June 30, 2029. The base for this appropriation is $239,743,000 in fiscal year 2028 and each year thereafter.		
Subd. 3. **Child Care Grants**	7,694,000	7,694,000
Subd. 4. **State Work-Study**	14,102,000	14,102,000
Subd. 5. **Interstate Tuition Reciprocity**	8,500,000	8,500,000
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.		
Subd. 6. **Safety Officer's Survivors**	100,000	100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. **Indian Scholarships**	3,500,000	3,500,000

The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible.

Subd. 8. **Tribal College Supplemental Assistance Grants**	3,150,000	3,150,000

(a) For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.

(b) A Tribal college must use grant funds received under this section to supplement, not supplant, any existing funding. Each eligible Tribal college may receive a grant in an amount no less than $1,000,000 and no more than $1,050,000, subject to available appropriations.

Subd. 9. **Intervention for College Attendance Program Grants**	1,142,000	1,142,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of this appropriation to administer the program.

Subd. 10. **Student-Parent Information**	122,000	122,000
Subd. 11. **Get Ready!**	180,000	180,000

Subd. 12. **Midwest Higher Education Compact**	115,000	115,000
Subd. 13. **MnLINK Gateway and Minitex**	7,155,000	7,208,000
Subd. 14. **Statewide Longitudinal Education Data System**	2,550,000	2,550,000
Subd. 15. **Summer Academic Enrichment Program**	250,000	250,000

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of this appropriation to administer the program.

Subd. 16. **Campus Sexual Violence Prevention and Response Coordinator**	150,000	150,000

For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions. $50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.

Subd. 17. **Emergency Assistance for Postsecondary Students**	550,000	550,000

(a) For the Office of Higher Education to allocate to nonprofit private postsecondary institutions and Tribal colleges that are eligible under Minnesota Statutes, section 136A.103, for emergency assistance grants to students. The commissioner must establish processes for soliciting applications from institutions, selecting applicants to receive an allocation, and determining the funding amount allocated and issue guidance regarding how institutions must award emergency assistance grants to students. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than $50,000 of the annual appropriation to administer the program.

(b) Postsecondary institutions must use the funding allocated to them under this subdivision to award emergency assistance grants directly to students to meet immediate needs that could interfere with the student completing the term or their program, including but not limited to emergency housing, food, and transportation. Institutions must minimize any negative impact on student financial aid resulting from the receipt of emergency money.

(c) Money under this subdivision must not be distributed to selected applicants until the Office of Higher Education has approved their plans to award grants to students.

(d) By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on emergency assistance grants awarded to students using the money appropriated in this subdivision. The report must detail:

(1) how money was distributed among institutions;

(2) the process by which students apply for emergency assistance grants and institutions make a determination about whether money will be awarded;

(3) how many students received emergency assistance grants and the average award amount;

(4) the most common student needs that grants were awarded to meet; and

(5) the average length of time between grant application and disbursement to students.

(e) At the end of each biennium, institutions must return any unused portion of the funding allocated to them under this subdivision to the Office of Higher Education.

Subd. 18. **Grants to Student Teachers in Shortage Areas** For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of the appropriation to administer the program.	500,000	500,000
Subd. 19. **Grants to Underrepresented Student Teachers** For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of the appropriation to administer the program.	625,000	625,000
Subd. 20. **Grants for Students with Intellectual and Developmental Disabilities** For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.	200,000	200,000
Subd. 21. **Loan Repayment Assistance Program** For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.	55,000	55,000
Subd. 22. **Student Loan Debt Counseling** For student loan debt counseling under Minnesota Statutes, section 136A.1788. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of the appropriation to administer the program.	250,000	250,000
Subd. 23. **Hunger-Free Campus Grants**	200,000	200,000

(a) For the Office of Higher Education to award grants to nonprofit private postsecondary institutions and Tribal colleges registered with the Office of Higher Education under Minnesota Statutes, section 136A.63, for hunger-free campus activities. The commissioner must establish a competitive grant program to distribute the money appropriated in this subdivision, which must:

(1) have an application process and selection criteria established by the commissioner in collaboration with student associations representing eligible institutions;

(2) provide a maximum annual grant award of $25,000 per institution;

(3) give preference to applications from institutions with the highest number of federal Pell Grant eligible students enrolled; and

(4) require grant recipients to match at least 50 percent of the amount awarded with either in-kind contributions or other resources.

(b) Postsecondary institutions must use the grant money awarded to them under this subdivision to meet the following hunger-free campus requirements:

(1) maintain an on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(2) provide information to students on the Supplemental Nutrition Assistance Program (SNAP), the Minnesota Family Investment Program (MFIP), and other programs that reduce food insecurity;

(3) notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students about eligibility criteria and how to apply for benefits;

(4) hold or participate in one hunger awareness event per academic year;

(5) provide emergency assistance grants to students; and

(6) establish a hunger task force that meets a minimum of three times per academic year and that includes at least two students currently enrolled at the institution.

(c) By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on hunger-free campus activities performed using the money appropriated in this subdivision. The report must detail:

(1) how money was distributed among institutions;

(2) how hunger-free campus requirements were met at those institutions; and

(3) how many students were served.

Subd. 24. **Fostering Independence Higher Education Grants** 8,416,000 8,416,000

For grants to eligible students under Minnesota Statutes, section 136A.1241. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than three percent of the appropriation to administer the grants.

Subd. 25. **Student-Parent Support Initiative** 3,000,000 3,000,000

For grants to support student parents under Minnesota Statutes, section 136A.1251. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than $338,000 of the annual appropriation for administrative and promotional costs.

Subd. 26. **Director of Tribal Relations**	143,000	143,000
Subd. 27. **Direct Admissions Program**	900,000	900,000
For the direct admissions program under Minnesota Statutes, section 136A.84.		
Subd. 28. **American Indian Scholars**	8,500,000	8,500,000
(a) To support implementation of Minnesota Statutes, section 135A.121.		
(b) $4,032,000 in fiscal year 2026 and $4,032,000 in fiscal year 2027 are for transfer to the Board of Regents of the University of Minnesota.		
(c) $4,468,000 in fiscal year 2026 and $4,468,000 in fiscal year 2027 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.		
Subd. 29. **Inclusive Higher Education**	250,000	250,000
To enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161.		
Subd. 30. **Paramedic Scholarship Program**	1,000,000	1,000,000
For the paramedic scholarship program under Minnesota Statutes, section 136A.1278. Notwithstanding Minnesota Statutes, section 136A.01, subdivision 4, the commissioner may use no more than $50,000 of the annual appropriation for administrative and promotional costs.		
Subd. 31. **Unemployment Insurance Aid**	158,000	158,000
For unemployment insurance aid to Tribal colleges under Minnesota Statutes, section 268.193. Of the amount appropriated, $24,000 each year is for administration of unemployment insurance aid.		
Subd. 32. **North Star Promise; Administrative Costs**	202,000	202,000
For administrative and promotion expenses to implement and direct the scholarship		

awards under Minnesota Statutes, section 136A.1465.

Subd. 33. **Agency Administration**	6,219,000	6,385,000

Subd. 34. **Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 35. **Transfers**

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college attendance appropriation, the student-parent information appropriation, the summer academic enrichment program appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the hunger-free campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the child care, state work-study, or the hunger-free campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

Sec. 3. **BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**	**$ 880,039,000**	**$ 879,050,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Central Office and Shared Services Unit**	36,401,000	36,401,000
For the Office of the Chancellor and the Shared Services Division.		
Subd. 3. **Operations and Maintenance**	831,873,000	830,884,000

(a) $5,700,000 in fiscal year 2026 and $5,700,000 in fiscal year 2027 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least $158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(b) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(c) $9,500,000 in fiscal year 2026 and $9,500,000 in fiscal year 2027 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.

(d) $550,000 in fiscal year 2026 and $550,000 in fiscal year 2027 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and

implementation of Z-Degrees under Minnesota Statutes, section 136F.305.

(e) $3,158,000 in fiscal year 2026 and $3,158,000 in fiscal year 2027 are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week.

(f) $883,000 in fiscal year 2026 and $894,000 in fiscal year 2027 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3.

(g) $809,000 in fiscal year 2026 and $809,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.

(h) $500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for the Juvenile Detention Alternatives Initiative at Metropolitan State University. Of this amount, $280,000 each year is to provide juvenile justice services and resources, including the Juvenile Detention Alternatives Initiative, to Minnesota counties and federally recognized Tribes; and $220,000 each year is for funding to local units of government, federally recognized Tribes, and agencies to support local Juvenile Detention Alternative Initiatives, including but not limited to alternatives to detention. Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(i) $1,000,000 in fiscal year 2026 is to address contamination of PFAS, as defined in Minnesota Statutes, section 116.943, arising from or associated with the use of firefighting foam at the Lake Superior College Emergency Response Training Center (ERTC) prior to January 1, 2015. Money may be used to conduct environmental investigation and response activities, including ERTC program accommodations, and reimburse past expenses incurred for these activities. This is a onetime appropriation.

Subd. 4. **Direct Student Support** 7,350,000 7,350,000

(a) $4,500,000 in fiscal year 2026 and $4,500,000 in fiscal year 2027 are for workforce development scholarships under Minnesota Statutes, section 136F.38.

(b) $2,250,000 in fiscal year 2026 and $2,250,000 in fiscal year 2027 are for emergency assistance grants to Minnesota State Colleges and Universities students. The Board of Trustees must:

(1) award emergency assistance grants directly to students to meet immediate needs that could interfere with the student completing the term or their program, including but not limited to emergency housing, food, and transportation;

(2) minimize any negative impact on student financial aid resulting from the receipt of emergency money; and

(3) by February 1 of each year, submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on emergency assistance grants awarded to students using the money appropriated in this paragraph. The report must detail:

(i) how money was distributed among institutions;

(ii) the process by which students apply for emergency assistance grants and institutions make a determination about whether money will be awarded;

(iii) how many students received emergency assistance grants and the average award amount;

(iv) the most common student needs that grants were awarded to meet; and

(v) the average length of time between grant application and disbursement to students.

(c) $600,000 in fiscal year 2026 and $600,000 in fiscal year 2027 are for hunger-free campus activities. The Board of Trustees must:

(1) meet the following hunger-free campus requirements on Minnesota State Colleges and Universities campuses:

(i) maintain an on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(ii) provide information to students on the Supplemental Nutrition Assistance Program (SNAP), the Minnesota Family Investment Program (MFIP), and other programs that reduce food insecurity;

(iii) notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students about eligibility criteria and how to apply for benefits;

(iv) hold or participate in one hunger awareness event per academic year;

(v) provide emergency assistance grants to students; and

(vi) establish a hunger task force that meets a minimum of three times per academic year

and that includes at least two students currently enrolled at the institution;

(2) match at least 50 percent of the amount appropriated in this paragraph with either in-kind contributions or other resources; and

(3) by February 1 each year, submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on hunger-free campus activities performed using the money appropriated in this paragraph. The report must detail:

(i) how money was distributed among institutions;

(ii) how hunger-free campus requirements were met at those institutions; and

(iii) how many students were served.

Subd. 5. **Cook County Higher Education Board** 300,000 300,000

For a grant to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

Subd. 6. **Learning Network of Minnesota** 4,115,000 4,115,000

Sec. 4. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **$** **744,263,000** **$** **744,263,000**

Appropriations by Fund

	2026	2027
General	742,106,000	742,106,000
Health Care Access	2,157,000	2,157,000

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

Subd. 2. **Operations and Maintenance**	644,128,000	644,128,000
Subd. 3. **Special Appropriations; Research and Innovation**	33,033,000	33,033,000

(a) $12,000,000 in fiscal year 2026 and $12,000,000 in fiscal year 2027 are for Medical Discovery Teams on Addiction, the Biology of Aging, Optical Imaging and Brain Science, Rural and American Indian Health Disparities, Incretin Mimetics, and other critical, complex health issues.

(b) $2,150,000 in fiscal year 2026 and $2,150,000 in fiscal year 2027 are for the Clinical and Translational Science Institute.

(c) The Board of Regents may transfer unencumbered balances between the appropriations for the Medical Discovery Teams and the Clinical and Translational Science Institute as needed.

(d) $4,000,000 in fiscal year 2026 and $4,000,000 in fiscal year 2027 are for the Minnesota Cancer Clinical Trials Network.

(e) $2,465,000 in fiscal year 2026 and $2,465,000 in fiscal year 2027 are for health sciences research at the Office of Academic Clinical Affairs and the School of Public Health.

(f) $7,491,000 in fiscal year 2026 and $7,491,000 in fiscal year 2027 are for competitive grants for biotechnology and medical genomics research at the University of Minnesota and Mayo Foundation. By June 30 of each year, the Board of Regents must submit a report on the expenditure of this money to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over higher education.

(g) $4,350,000 in fiscal year 2026 and $4,350,000 in fiscal year 2027 are for competitive grants for regenerative medicine research and commercialization.

(h) $500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for competitive grants for research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

(i) $77,000 in fiscal year 2026 and $77,000 in fiscal year 2027 are for biomedical engineering.

Subd. 4. **Special Appropriations; Medical Training and Care** **$ 12,946,000 $ 12,946,000**

Appropriations by Fund	2026	2027
General	10,789,000	10,789,000
Health Care Access	2,157,000	2,157,000

(a) $1,043,000 in fiscal year 2026 and $1,043,000 in fiscal year 2027 are for the Rural Physician Associate Program (RPAP) and Metropolitan Physician Associate Program (MetroPAP).

(b) $6,247,000 in fiscal year 2026 and $6,247,000 in fiscal year 2027 are to support faculty physicians teaching at eight clinical residency program sites, including medical resident and student training programs in the Department of Family Medicine and Community Health.

(c) $346,000 in fiscal year 2026 and $346,000 in fiscal year 2027 are to support up to 12 resident physicians in the St. Cloud Hospital family medicine residency program, which must prepare doctors to practice primary care medicine in rural areas of Minnesota.

(d) $1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027 are for a partnership between the University of Minnesota Medical School and CentraCare

to establish and operate new residency programs and maintain existing residency programs based in CentraCare hospitals and clinics in St. Cloud and Willmar. Eligible uses of this appropriation include but are not limited to program administration, curriculum development, resident recruitment, training, and resident stipends.

(e) $993,000 in fiscal year 2026 and $993,000 in fiscal year 2027 are for the Mobile Dental Clinic.

(f) $2,157,000 in fiscal year 2026 and $2,157,000 in fiscal year 2027 are from the health care access fund for primary care education initiatives.

(g) $660,000 in fiscal year 2026 and $660,000 in fiscal year 2027 are for geriatrics education.

Subd. 5. **Special Appropriations; Social Sciences** 1,802,000 1,802,000

(a) $985,000 in fiscal year 2026 and $985,000 in fiscal year 2027 are for the Center for Urban and Regional Affairs.

(b) $39,000 in fiscal year 2026 and $39,000 in fiscal year 2027 are for the Bureau of Business and Economic Research at the University of Minnesota Duluth.

(c) $778,000 in fiscal year 2026 and $778,000 in fiscal year 2027 are for industrial relations education at the Carlson School of Management.

Subd. 6. **Special Appropriations; Natural Resources Management and Education** 50,009,000 50,009,000

(a) $27,086,000 in fiscal year 2026 and $27,086,000 in fiscal year 2027 are for the Minnesota Agricultural Experiment Station.

(b) $15,836,000 in fiscal year 2026 and $15,836,000 in fiscal year 2027 are for the University of Minnesota Extension.

(c) The amounts appropriated in paragraphs (a) and (b) must be used for the following:

(1) the Minnesota Agricultural Experiment Station and University of Minnesota Extension must convene agricultural advisory groups to focus research, education, and Extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resource Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas

should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2027, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in paragraphs (a) and (b).

(d) $4,414,000 in fiscal year 2026 and $4,414,000 in fiscal year 2027 are for the Natural Resources Research Institute.

(e) $1,673,000 in fiscal year 2026 and $1,673,000 in fiscal year 2027 are for the Veterinary Diagnostic Laboratory.

(f) $1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are for a University of Minnesota Extension program that enhances the capacity of the state's agriculture sector, land and resource managers, and communities to plan for and adapt to weather extremes, including but not limited to droughts and floods. The money appropriated in this paragraph must be used to support existing Extension staff members and to hire additional staff members for a program with broad geographic reach throughout the state. The program must:

(1) identify, develop, implement, and evaluate educational programs that increase the capacity of Minnesota's agriculture sector, land and resource managers, and communities to be prepared for and adapt to projected physical changes in temperature, precipitation, and other weather parameters that affect crops, lands, horticulture, pests, and wildlife in ways that present challenges to the state's agriculture sector and the communities that depend on the agriculture sector; and

(2) communicate and interpret the latest research on critical weather trends and the scientific basis for critical weather trends to further prepare Extension staff throughout the state to educate and provide technical

assistance to the agriculture sector, land and resource managers, and community members at the local level regarding technical information on water resource management, agriculture and forestry, engineering and infrastructure design, and emergency management that is necessary to develop strategies to mitigate the effects of extreme weather change.

Subd. 7. **Special Appropriations; Campus Management and Student Support** 2,345,000 2,345,000

(a) $1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are for campus safety and security measures.

(b) $366,000 in fiscal year 2026 and $366,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(c) $779,000 in fiscal year 2026 and $779,000 in fiscal year 2027 are for emergency assistance grants to University of Minnesota students. The Board of Regents must:

(1) award emergency assistance grants directly to students to meet immediate needs that could interfere with the student completing the term or their program, including but not limited to emergency housing, food, and transportation;

(2) minimize any negative impact on student financial aid resulting from the receipt of emergency money; and

(3) by February 1 each year, submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on emergency assistance grants awarded to students using the money appropriated in this paragraph. The report must detail:

(i) how money was distributed among institutions;

(ii) the process by which students apply for emergency assistance grants and institutions make a determination about whether money will be awarded;

(iii) how many students received emergency assistance grants and the average award amount;

(iv) the most common student needs that grants were awarded to meet; and

(v) the average length of time between grant application and disbursement to students.

(d) $200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are for hunger-free campus activities. The Board of Regents must:

(1) meet the following hunger-free campus requirements on University of Minnesota campuses:

(i) maintain an on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(ii) provide information to students on the Supplemental Nutrition Assistance Program (SNAP), the Minnesota Family Investment Program (MFIP), and other programs that reduce food insecurity;

(iii) notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students about eligibility criteria and how to apply for benefits;

(iv) hold or participate in one hunger awareness event per academic year;

(v) provide emergency assistance grants to students; and

(vi) establish a hunger task force that meets a minimum of three times per academic year

and that includes at least two students currently enrolled at the institution;

(2) match at least 50 percent of the amount appropriated in this paragraph with either in-kind contributions or other resources; and

(3) by February 1 of each year, submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on hunger-free campus activities performed using the money appropriated in this paragraph. The report must detail:

(i) how funding was distributed among institutions;

(ii) how hunger-free campus requirements were met at those institutions; and

(iii) how many students were served.

Sec. 5. **TRANSFERS.**

(a) $3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are transferred from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1. The commissioner may use up to three percent of the amounts transferred under this paragraph to administer the program. Under Minnesota Statutes, section 16A.103, the commissioner of management and budget must include a transfer of $3,000,000 each year for fiscal years 2028 through 2031 from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund when preparing each forecast from the effective date of this section through the February 2027 forecast.

(b) $3,132,000 in fiscal year 2026 and $3,132,000 in fiscal year 2027 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. Of the amounts transferred under this paragraph, $132,000 each year is for transfer to the Department of Labor and Industry to support identification of competency standards and development of dual training programs in the transportation and child care industries as required under Minnesota Statutes, section 175.45. Under Minnesota Statutes, section 16A.103, the commissioner of management and budget must include a transfer of $3,132,000 each year for fiscal years 2028 through 2031 from the general fund to the dual training account in the special revenue fund when preparing each forecast from the effective date of this section through the February 2027 forecast.

(c) $200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are transferred from the general fund to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8. The commissioner may use up to three percent of the amounts transferred under this paragraph to administer the program. Under Minnesota Statutes,

section 16A.103, the commissioner of management and budget must include a transfer of $200,000 each year for fiscal years 2028 through 2031 from the general fund to the teacher shortage loan repayment account in the special revenue fund when preparing each forecast from the effective date of this section through the February 2027 forecast.

(d) $750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are transferred from the general fund to the inclusive higher education grant account in the special revenue fund under Minnesota Statutes, section 135A.162, subdivision 4. The commissioner may use up to five percent of the amounts transferred under this paragraph to administer the program. Under Minnesota Statutes, section 16A.103, the commissioner of management and budget must include a transfer of $750,000 each year for fiscal years 2028 through 2031 from the general fund to the inclusive higher education grant account in the special revenue fund when preparing each forecast from the effective date of this section through the February 2027 forecast.

(e) $49,500,000 in fiscal year 2026 and $49,500,000 in fiscal year 2027 are transferred from the general fund to the account in the special revenue fund for North Star Promise scholarships under Minnesota Statutes, section 136A.1465, subdivision 8. Under Minnesota Statutes, section 16A.103, the commissioner of management and budget must include a transfer of $49,500,000 each year for fiscal years 2028 through 2031 from the general fund to the account in the special revenue fund for North Star Promise scholarships when preparing each forecast from the effective date of this section through the February 2027 forecast.

Sec. 6. **CANCELLATIONS.**

(a) The $500,000 fiscal year 2025 appropriation from the general fund for the Kids on Campus initiative under Laws 2024, chapter 124, article 1, section 6, is canceled.

(b) $500,000 from the dual training account in the special revenue fund is canceled to the general fund.

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

ARTICLE 2

HIGHER EDUCATION POLICY

Section 1. **[120B.1251] PARTICIPATION IN DIRECT ADMISSIONS PROGRAM.**

Starting in the 2029-2030 school year, a district or charter school high school must participate in the direct admissions program under section 136A.84.

Sec. 2. Minnesota Statutes 2024, section 135A.052, subdivision 1, is amended to read:

Subdivision 1. **Statement of missions.** (a) The legislature recognizes each type of public postsecondary institution to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with each other. These missions are as follows:

(1) the technical colleges shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;

(2) the community colleges shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;

(3) consolidated community technical colleges shall offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer;

(4) the state universities shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education, and may offer applied doctoral degrees in education, business, psychology, physical therapy, audiology, cybersecurity, and nursing; and

(5) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.

(b) It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;

(3) coordinate the system's activities wherever appropriate with the activities of the other system and governmental agencies;

(4) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and

(6) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 3. **[135A.1367] OPIATE ANTAGONIST.**

(a) The Board of Trustees of the Minnesota State Colleges and Universities must, and the Board of Regents of the University of Minnesota is requested to:

(1) maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each campus site to be administered in compliance with section 151.37, subdivision 12; and

(2) have at least two doses of a nasal opiate antagonist available on site at each campus residential building.

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

(c) The Board of Trustees and the Board of Regents may adopt a model plan for use, storage, and administration of opiate antagonists on system campuses.

EFFECTIVE DATE. This section is effective beginning in the 2025-2026 academic year.

Sec. 4. Minnesota Statutes 2024, section 135A.15, subdivision 1a, is amended to read:

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

(b) "Advisor" means a person who is selected by a responding or reporting party to serve as a support during a campus investigation and disciplinary process. This person may be an attorney. An advisor serves as a support to a party by offering comfort or attending meetings.

(c) "Domestic violence" has the meaning given in section 518B.01, subdivision 2.

(d) "Incident" means one report of sexual misconduct to a postsecondary institution, regardless of the number of complainants included in the report, the number of respondents included in the report, and whether or not the identity of any party is known by the reporting postsecondary institution. Incident encompasses all nonconsensual events included within one report if multiple events have been identified.

(e) "Intimate partner violence" means any physical or sexual harm or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior against an individual, that may be classified as a sexual misconduct, dating violence, or domestic violence caused by:

(1) a current or former spouse of the individual; or

(2) a person in a sexual or romantic relationship with the individual.

(f) "Nonconsensual dissemination of sexual images" has the meaning given in section 617.261.

(g) "Reporting party" means the party in a disciplinary proceeding who has reported being subjected to conduct or communication that could constitute sexual misconduct.

(h) "Responding party" means the party in a disciplinary proceeding who has been reported to be the perpetrator of conduct or communication that could constitute sexual misconduct.

(i) "Retaliation" means intimidation, threats, coercion, or discrimination against a reporting party, responding party, or witness for the purpose of interfering with any right or privilege or because the person has reported information, made a complaint, testified, assisted, or participated or refused to participate in any manner in an investigation, proceeding, or hearing under this section, including in nondisciplinary restorative justice services.

(j) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

~~(j)~~ (k) "Sexual extortion" has the meaning given in section 609.3458.

~~(k)~~ (l) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

~~(l)~~ (m) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

~~(m)~~ (n) "Sexual misconduct" means an incident of sexual violence, intimate partner violence, domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate parts or sexual acts, sex trafficking, or stalking.

~~(n)~~ (o) "Stalking" has the meaning given in section 609.749.

Sec. 5. Minnesota Statutes 2024, section 135A.15, subdivision 2a, is amended to read:

Subd. 2a. **Campus ~~investigation and disciplinary hearing procedures~~ sexual misconduct grievance process.** (a) A postsecondary institution must establish a sexual misconduct grievance process as outlined in this section. The postsecondary institution must provide a reporting party an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct ~~against a student~~. If an investigation reveals that sexual misconduct has occurred, the postsecondary institution must take prompt and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence, and, as appropriate, remedy its effects. Remedial action may include any or all of the following:

(1) disciplinary action against the responding party;

(2) with the consent of the parties, alternative resolution options; and

(3) academic or residential supportive measures, as requested by the reporting party.

(b) Throughout any investigation or disciplinary proceeding, a postsecondary institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity and respect.

(c) ~~If a postsecondary institution conducts a hearing, an advisor may provide opening and closing remarks on behalf of a party or assist with formulating questions to the other party or witnesses about related evidence or credibility.~~ A postsecondary institution must provide due process protections before imposing disciplinary action against a responding party who is a student. The responding party must be informed in writing of the allegations with sufficient details related to the allegations, including the alleged misconduct; the identity of the reporting party; and to the extent possible, the date, time, and location of the alleged sexual misconduct. The responding party must be provided with the campus code of conduct guidelines listing possible sanctions.

(d) A postsecondary institution must offer and coordinate, as needed, academic and residential supportive measures equitably to both reporting and responding parties participating in a campus sexual misconduct grievance process. Supportive measures must be determined on a case-by-case

basis and may include but are not limited to exam or assignment extensions, excused class absence, change in on-campus residence, or schedule changes.

(e) A postsecondary institution must allow the reporting and responding parties to present and review relevant testimony by parties and witnesses and relevant evidence compiled in an investigative report.

(f) A postsecondary institution must hold a hearing related to disciplinary action under this section if requested by either the reporting or responding party.

(g) A hearing or other proceeding related to disciplinary action under this section is subject to the following requirements:

(1) the reporting and responding party must be given equal opportunity to:

(i) present relevant evidence and witnesses;

(ii) retain an advisor to serve as support to a reporting or responding party in any meeting, interview, or investigative, or disciplinary process, and any restriction of an advisor's role must be applied equally to the reporting and responding parties;

(iii) inspect, review, and respond to relevant evidence and testimony provided by either party and witnesses collected through an investigative report written by the postsecondary institution or designee; and

(iv) discuss the investigation and disciplinary proceedings with their advisor and parents or guardians;

(2) the postsecondary institution must:

(i) allow for the opportunity for both parties to question the credibility of the other party and witnesses through written remarks or by cross-examination if a postsecondary institution conducts a live hearing;

(ii) appoint a decision-maker or a panel of decision-makers who is not the investigator to assess credibility of the parties and witnesses;

(iii) allow an advisor to assist with formulating questions to the other party or witnesses about related evidence or credibility, if a postsecondary institution conducts a hearing;

(iv) if a postsecondary institution conducts a hearing, provide the reporting and responding parties with the equal opportunity to provide testimony without encountering the other party in person, and to review testimony provided by the other party in a similar manner. This may be done through video conference or closed-circuit television;

(v) proceed with the campus sexual misconduct grievance process, if requested by the reporting party, concurrently with a criminal investigation, except that a postsecondary institution may temporarily delay a campus proceeding if requested by law enforcement and if the campus proceeding may impede a criminal investigation; and

(vi) deliver the outcome of the grievance process simultaneously to the reporting and responding parties;

(3) if a postsecondary institution allows for cross-examination of witnesses and parties, neither the reporting party nor responding party may be permitted to personally cross-examine one another or other witnesses. Any cross-examination must be performed by an advisor. An adjudicator of the campus disciplinary proceeding may ask questions of any party or witness;

(4) information related to character, including character witnesses, questions or evidence about the sexual behavior or sexual preferences of the reporting party, or mental health records, must not be considered, except:

(i) information related to the sexual behavior of the reporting party may be considered if it substantiates that the misconduct may have occurred, and is deemed relevant by the decision maker;

(ii) mental health and medical information of the reporting party may be considered if a release is signed by the reporting party and nonrelevant information is redacted;

(iii) if a responding party is found responsible, a postsecondary institution may consider medical and mental health information of the reporting party to determine sanctions; and

(iv) questions and evidence regarding the sexual preferences or past sexual behavior of the reporting party may be considered if such evidence is offered to prove that someone other than the responding party committed the conduct alleged by the reporting party, or the evidence concerns specific incidents of the reporting party's prior sexual behavior with respect to the responding party and is offered to prove consent;

(5) to the extent possible, the postsecondary institution must:

(i) inform parties no later than 24 hours before a decision is rendered, and provide the timeline of the outcome's release;

(ii) offer community mental health resources and, if applicable, on-campus resources with the notice of outcome equitably to parties; and

(iii) not deliver the decision to the parties at the end of the day or during a weekend or holiday to ensure parties have the opportunity to arrange supportive services;

(6) in any grievance process arising from an alleged incident of sexual misconduct against a student, a postsecondary institution must apply, at a minimum, a preponderance of the evidence standard of proof; and

(7) a postsecondary institution must have a policy prohibiting retaliation, including what constitutes retaliation and possible actions for students and employees if retaliation is found to have occurred against a reporting party, responding party, or witness due to a person's participation in a campus sexual misconduct process.

(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.

Sec. 6. Minnesota Statutes 2024, section 135A.1582, is amended to read:

135A.1582 PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.

Subdivision 1. ~~**Definition**~~ **Definitions.** (a) For the purpose of this section, the following ~~term has~~ terms have the ~~meaning~~ meanings given.

(b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

(c) "Pregnancy or related conditions" means: (1) pregnancy, childbirth, termination of pregnancy, or lactation; (2) medical conditions related to pregnancy, childbirth, termination of pregnancy, or lactation; or (3) recovery from pregnancy, childbirth, termination of pregnancy, lactation, or related medical conditions.

(d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and that is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

Subd. 2. **Rights and protections.** (a) A ~~Minnesota state college or university~~ postsecondary institution may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

(1) take a leave of absence or withdraw from the student's degree or certificate program;

(2) limit the student's studies;

(3) participate in an alternative program;

(4) change the student's major, degree, or certificate program; or

(5) refrain from joining or cease participating in any course, activity, or program at the college or university.

(b) A ~~Minnesota state college or university~~ postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

(1) would be provided to a student with a temporary medical condition; or

(2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A ~~Minnesota state college or university~~ postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

(1) excuse the student's absence;

(2) allow the student to make up missed assignments or assessments;

(3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and

(4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

(d) A ~~Minnesota state college or university~~ postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:

(1) take a leave of absence; and

(2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.

(e) If a ~~public college or university~~ postsecondary institution provides early registration for courses or programs at the institution for any group of students, the ~~Minnesota state college or university~~ postsecondary institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner.

Subd. 3. **Policy on discrimination.** Each ~~Minnesota state college or university~~ postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

(1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;

(2) be posted in an easily accessible, straightforward format on the college or university's website; and

(3) be made available annually to faculty, staff, and employees of the college or university.

Subd. 4. **Administration.** The commissioner of the Office of Higher Education must, in consultation with the Board of Trustees of the Minnesota State Colleges and Universities ~~and~~, the Board of Regents of the University of Minnesota, and other relevant stakeholders, establish guidelines, as necessary, to administer this section. The guidelines must establish minimum periods for which a pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of Higher Education shall consider the maximum amount of time a student may be absent without significantly interfering with the student's ability to complete the student's degree or certificate program.

Sec. 7. Minnesota Statutes 2024, section 136A.01, is amended by adding a subdivision to read:

Subd. 4. **Treatment of appropriations.** Notwithstanding section 16B.98, subdivision 14, the office may retain up to five percent of competitively awarded grants if another amount is not already designated as administrative funding in the appropriation.

Sec. 8. **[136A.054] CONSOLIDATED COMPETITIVE GRANT AND STUDENT LOAN REPAYMENT PROGRAM REPORTING.**

(a) The commissioner of the Office of Higher Education shall report annually by February 15 to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the details of programs administered under sections 136A.1251, 136A.1788, 136A.1789, 136A.1791, 136A.1794, 136A.1795, 136A.861, and 136A.91 including the following, where applicable:

(1) organizations receiving grant awards;

(2) grant award amounts and utilization rates;

(3) grant program activities, goals, and outcomes;

(4) grant matching sources and funding levels;

(5) number and amount of loan repayment awards disbursed; and

(6) demographic data of loan repayment program participants.

(b) The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.1251, 136A.1788, 136A.1789, 136A.1791, 136A.1794, 136A.1795, 136A.861, and 136A.91 as evidenced by activities funded under each program.

Sec. 9. **[136A.0901] STANDARD FINANCIAL AID OFFER FORM FOR HIGHER EDUCATION INSTITUTIONS.**

Subdivision 1. **Citation.** Sections 136A.0901 to 136A.0905 may be cited as the "College Financing Literacy Act."

Subd. 2. **Standard format and terminology.** The commissioner must develop standard terminology and financial aid offer forms. The commissioner may develop separate financial aid offer forms for:

(1) undergraduate students;

(2) graduate students;

(3) first-time students; and

(4) returning students.

Subd. 3. **Consultation with stakeholders.** In developing the financial aid offer form, the commissioner must consult with and consider the recommendations of stakeholders, including the student loan advocate in the Department of Commerce, representatives of students, institutions of

higher education, financial aid administrators and counselors, school counselors, and any other relevant stakeholders as determined by the commissioner. The commissioner must begin consulting with and soliciting recommendations from stakeholders by September 1, 2025. By September 1, 2026, the commissioner must publish on the department's website a draft of the form created under subdivision 2 and solicit feedback from stakeholders regarding the form.

Subd. 4. **Final form.** The commissioner must publish on the department's website the final financial aid offer form with sufficient time for institutions to implement use of the form for the 2028-2029 academic year.

Subd. 5. **Authority to modify.** The commissioner may update and modify the definitions, terms, formatting, and design of the financial aid offer form based on changes in laws, in process, or for purposes of clarity.

Subd. 6. **Use of standard financial aid offer forms and terms.** Beginning with the 2028-2029 academic year, institutions of higher education that receive state grant aid must:

(1) use the financial aid offer form developed under this section in providing official and unofficial offers, including paper, mobile-optimized, or other electronic offers to all students who are accepted at the institution and apply for aid; and

(2) use the standard terminology and definitions developed by the commissioner for all communications from the institution related to financial aid offers.

Sec. 10. **[136A.0902] REQUIRED CONTENTS FOR FINANCIAL AID OFFER FORM.**

Subdivision 1. **General.** The financial aid offer form developed under section 136A.0901 must be a form titled "Financial Aid Offer" which includes the required information under this section with costs listed first, followed by grants and scholarships clearly separated with separate headings, and the additional information under section 136A.0903 included last. The form must be in a consumer-friendly format that is simple to understand and must allow for each institution to customize the form with the institution's own logo, branding, or other identifiers.

Subd. 2. **Cost information.** The financial aid offer form must contain information on the student's estimated cost of attendance including:

(1) total direct costs, including the totals for estimated tuition and fees charged by an institution, including differential tuition if applicable, college or university-sponsored housing, and food costs;

(2) total estimated other expenses, including estimated housing and food costs for students who reside off-campus, and for all students, costs for books, materials, supplies, transportation, and miscellaneous personal expenses;

(3) the academic period covered by the financial aid offer and an explanation that the financial aid offered may change for academic periods not covered by the aid offer or by program;

(4) whether cost and aid estimates are based on full-time or part-time enrollment;

(5) whether tuition and fees cover a set range of credits or are per credit hour; and

(6) whether the tuition and fees are estimated based on the previous year or are set for the academic period indicated in accordance with clause (3).

Subd. 3. **Grants and scholarships.** The financial aid offer form must include the aggregate amount of grants and scholarships itemized by source and type that the student does not have to repay, including grant aid:

(1) offered under title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070, et seq.;

(2) offered through other federal programs;

(3) offered by the institution;

(4) offered by the state; and

(5) from an outside source to the student for the academic period, if known, including a disclosure that the grants and scholarships do not have to be repaid. If institutional aid is included, the form must also note:

(i) the conditions under which the student can expect to receive similar amounts of financial aid for each academic period the student is enrolled at the institution; and

(ii) whether the institutional aid offer may change if grants or scholarships from outside sources are applied after the student receives the financial aid offer form and how the institutional aid will change, if applicable.

Subd. 4. **Net price.** The financial aid offer form must include:

(1) the estimated net price that the student, or the student's family on behalf of the student, is estimated to have to pay for the student to attend the institution for the academic period, equal to the cost of attendance as described in subdivision 2, clauses (1) and (2), for the student for the period indicated in subdivision 2, clause (3), minus the amount of grant and scholarship aid described in subdivision 3 that is included in the financial aid offer form; and

(2) a disclosure that the estimated net price is an estimate of the total expenses for the year and not equivalent to the amount the student will owe directly to the institution.

Subd. 5. **Loans.** (a) The financial aid offer form must include:

(1) information on loans that are available to the student under part D or E of title IV of the Higher Education Act of 1965, United States Code, title 20, sections 1087a, et seq., and 1087aa, et seq., except a Federal Direct PLUS Loan under part D of that act;

(2) information on other loans under this chapter for the academic period covered by the offer;

(3) a disclosure that the loans have to be repaid and a disclosure that the student can borrow a lesser or, if applicable, greater amount than the recommended loan amount;

(4) a disclosure that the interest rates and fees on the loans are set annually and affect total cost over time and a link to the Department of Education's and the Office of Higher Education's websites that includes current information on interest rates and fees; and

(5) a link to the Department of Education's repayment calculator website for students with instruction that the website contains customizable estimates of expected repayment costs under different loan repayment plans.

(b) The offer must clearly use the word "loan" to describe the recommended loan amounts and must clearly label subsidized and unsubsidized loans with a plain language explanation of the difference between the two.

Subd. 6. **Supplemental information on cost of attendance.** The financial aid offer form must contain information on how a student may request an adjustment to increase the cost of attendance to accommodate the student's special circumstances or higher costs of housing, food, or other eligible expenses.

Subd. 7. **Supplemental information for students with dependents.** The financial aid offer form must contain information on resources available to students with dependents including:

(1) the dependent care allowance, including a disclosure that a student with a dependent child in paid child care may request a dependent care allowance as part of the student's financial aid calculation, which may result in a higher grant or loan amount; and

(2) information on the Minnesota child care grant program provided in section 136A.125 and instructions on how to apply.

Subd. 8. **Process for accepting or declining aid.** The financial aid offer form must include:

(1) deadlines and a summary of the process for accepting the financial aid offered in the financial aid offer form, requesting higher loan amounts if recommended loan amounts were included, and declining aid offered in the form;

(2) information on when and how direct costs to the institution must be paid, including information on payment plans if available;

(3) a disclosure that verification of financial circumstances may require the student to submit further documentation; and

(4) information about where a student or the student's family can seek additional information regarding the financial aid offered, including contact information for the institution's financial aid office, the Department of Education's website on financial aid, and the Office of Higher Education's website.

Sec. 11. **[136A.0903] ADDITIONAL REQUIREMENTS FOR THE FINANCIAL AID OFFER FORM.**

Subdivision 1. **Repayment resources; private student loans; work study.** In addition to the information described in section 136A.0902, the financial aid offer form must, in a concise format determined by the commissioner, include:

(1) at the institution's discretion, additional options and potential resources for paying the amount listed in section 136A.0902, subdivision 4, such as tuition payment plans;

(2) the following information relating to private student loans:

(i) a statement that students considering borrowing to cover the cost of attendance should consider available federal and state student loans prior to applying for private student loans, including an explanation that federal and state student loans offer generally more favorable terms and beneficial repayment options than private student loans;

(ii) the impact of a proposed private student loan on the student's potential eligibility for other financial assistance, including federal financial assistance under title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070, et seq.; and

(iii) a statement explaining the student's ability to select a private educational lender of the student's choice; and

(3) information on work-study employment opportunities under section 136A.233, and work-study offered in accordance with part C of title IV of the Higher Education Act of 1965, United States Code, title 20, section 1087-51, et seq., including a disclosure that the work-study aid offered is subject to the availability of qualified employment opportunities and is disbursed over time as earned by the student. Work-study employment opportunities must not be included in the category of financial aid described under section 136A.0902, subdivision 3.

Subd. 2. **Additional requirements.** The financial aid offer form must meet the requirements of this section and section 136A.0902 by:

(1) including, in addition to the requirements described in subdivision 1 and section 136A.0902, a concise summary in plain language of:

(i) the terms and conditions of financial aid under subdivision 1, clause (3), and section 136A.0902, subdivisions 3 and 5, and a method to provide students with additional information about the terms and conditions, such as links to the supplementary information; and

(ii) federal, state, or institutional conditions required to receive and renew financial aid and a method to provide students with additional information about these conditions, such as links to the supplementary information;

(2) clearly distinguishing between aid offered under subdivision 1, clause (3), and section 136A.0902, subdivisions 3 and 5, by including a subtotal for the aid offered and by refraining from commingling the different types of aid described;

(3) using standard terminology and definitions, as determined by the commissioner, and using plain language where possible;

(4) providing additional information on federal student loans, including the types and amounts for which the student is eligible in an attached document or web page, if an institution's recommended federal student loan aid offered under section 136A.0902, subdivision 5, is less than the federal maximum available to the student;

(5) including a delivery confirmation for electronic financial aid offer forms, except that receipt of the financial aid offer form shall not be considered an acceptance or rejection of aid by the student; and

(6) accompanying any reference to private education loans, with respect to dependent students, with:

(i) information about the availability of and terms and conditions associated with Federal Direct PLUS Loans under section 455 of the Higher Education Act of 1965, United States Code, title 20, section 1087e, for the student's parents regardless of family income; and

(ii) a notification of the student's increased eligibility for unsubsidized federal student loans under title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070, et seq., if the student's parents are rejected under the Federal Direct PLUS Loan program.

Sec. 12. **[136A.0904] SUPPLEMENTAL INFORMATION; REMOVAL OF INFORMATION.**

(a) Nothing in sections 136A.0901 to 136A.0903 precludes an institution from supplementing the financial aid offer form with additional information if the additional information supplements the financial aid offer form and is not located on the financial aid offer form and if the information utilizes the same standard terminology developed by the commissioner under this act.

(b) Nothing in sections 136A.0901 to 136A.0903 precludes an institution from omitting a required item in an individual offer form if that item is inapplicable to the student receiving the offer.

Sec. 13. **[136A.0905] SUPERSEDING FEDERAL LAW.**

Sections 136A.0901 to 136A.0904 are null and void upon the effective date of a federal law or regulation establishing a uniform financial aid offer form and requiring institutions of higher education to adopt it.

Sec. 14. Minnesota Statutes 2024, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is ~~79~~ 90 percent of the parental contribution. If the parental contribution is ~~less than~~ between $0 and negative $1,500, the assigned family responsibility is 100 percent of the parental contribution. If the parental contribution is less than negative $1,500, the assigned family responsibility is negative $1,500. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution. If the student contribution is ~~less than~~ between $0 and negative $1,500, the assigned family responsibility is 100 percent of the student contribution. If the student contribution is less than negative $1,500, the assigned family responsibility is negative $1,500. For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

Sec. 15. Minnesota Statutes 2024, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

Subdivision 1. **Eligibility.** (a) A postsecondary institution is eligible for state student aid and to receive state student aid on behalf of students under this chapter ~~136A~~ and sections 197.791 and 299A.45, if the institution is located in this state and:

(1) is operated by this state or the Board of Regents of the University of Minnesota; or

(2) is operated privately and~~, as determined by the office,~~ meets the requirements of paragraph (b).

(b) A private institution must:

~~(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;~~

~~(2)~~ (1) be licensed or registered as a postsecondary institution by the office; and

~~(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or~~

(2) meet one of the following criteria:

(i) the institution participates in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;

(ii) ~~if an~~ the institution was participating in state student aid programs as of June 30, 2010, ~~and the institution did~~ but does not participate in the federal Pell Grant program ~~by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.~~ under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; and

(A) the institution requires every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program; and

(B) the institution has not had a change in ownership as defined in section 136A.63, subdivision 2; or

~~(c) An~~ (iii) the institution ~~that~~ offers only graduate-level degrees or graduate-level nondegree programs ~~is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office~~ and participates in federal financial aid under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

~~(d)~~ (c) An ~~eligible~~ institution under paragraph (b), clause ~~(3), item (ii)~~ (2), that changes ownership as defined in section 136A.63, subdivision 2, ~~must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility~~ remains eligible for state student aid for six months following the change in ownership.

~~(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.~~

~~(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.~~

~~(g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is~~

Subd. 2. **Ineligibility.** A postsecondary institution otherwise eligible for state student aid under this chapter and sections 197.791 and 299A.45 becomes ineligible if the institution:

(1) fails to maintain adequate compliance with administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs; or

(2) has been terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.

Sec. 16. Minnesota Statutes 2024, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to ~~115~~ 110 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 17. Minnesota Statutes 2024, section 136A.121, subdivision 7, is amended to read:

Subd. 7. **Insufficient appropriation.** (a) If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, awards must be reduced by:

(1) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and

(2) a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

(b) The reduction under paragraph (a), clauses (1) and (2), must be equal dollar amounts. The total assigned family responsibility after the addition of the surcharge may exceed 100 percent of the parental or student contribution, as applicable, assigned by the federal needs analysis. The commissioner must not adjust the surcharge under paragraph (a), clause (1), according to the student's status as a dependent student, an independent student with dependents other than a spouse, or an independent student without dependents other than a spouse. The commissioner must not use any methods other than those provided in this subdivision to reduce awards.

Sec. 18. Minnesota Statutes 2024, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. **Surplus appropriation.** (a) If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may:

(1) increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand; or

(2) assess the assigned family responsibility for students with a student or parent contribution that is less than negative $1,500 at 100 percent of the parent or student contribution to a lower limit that is equal to the lowest student contribution provided under the federal needs analysis.

(b) The ~~adjustment~~ adjustments in paragraph (a) may be made one or more times. Each time the commissioner makes an adjustment under this subdivision, the commissioner must use any surplus to fully reassess assigned family responsibility under paragraph (a), clause (2), before increasing the living and miscellaneous expense allowance under paragraph (a), clause (1). In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance or a modified assessment of assigned family responsibility under this subdivision does not carry forward into a subsequent biennium.

Sec. 19. Minnesota Statutes 2024, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has received a state grant award for ~~180~~ 120 credits or the equivalent, excluding (1) courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled

in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 20. Minnesota Statutes 2024, section 136A.121, subdivision 13, is amended to read:

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is ~~June 30 of the fiscal year for which the student applies for a grant~~ 30 days after the start of that term.

Sec. 21. Minnesota Statutes 2024, section 136A.1465, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The following terms have the meanings given:

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college and who meets the eligibility requirements in subdivision 2;

(2) "gift aid" includes:

(i) all federal financial aid that is not a loan or pursuant to a work-study program;

(ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;

(iii) institutional financial aid, including a grant, scholarship, tuition waiver, fellowship stipend, or other payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and

(iv) all private financial aid that is not a loan or pursuant to a work-study program.

Financial aid from the state, public postsecondary educational institutions, and Tribal colleges that is specifically designated for other expenses is not gift aid for purposes of the North Star Promise scholarship.

(3) "other expenses" includes books, required supplies, child care, emergency assistance, food, and housing;

(4) "public postsecondary educational institution" means an institution operated by this state, or the Board of Regents of the University of Minnesota;

(5) "recognized cost of attendance" has the meaning given in United States Code, title 20, chapter 28, subchapter IV, part F, section 1087ll;

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph ~~(c)~~ (d); and

(7) "tuition and fees" means the ~~actual~~ eligible resident tuition and mandatory fees charged by an institution.

Sec. 22. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision to read:

Subd. 1a. **Resident tuition.** The Board of Regents of the University of Minnesota and the Board of Trustees of Minnesota State Colleges and Universities must adopt a policy to charge resident tuition rates for all students eligible for North Star Promise.

Sec. 23. Minnesota Statutes 2024, section 136A.1465, subdivision 2, is amended to read:

Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student who:

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has a family adjusted gross income below $80,000;

(3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over and has met all requirements for admission as a student to an eligible college or university;

(4) has not ~~earned a~~ completed the degree requirements for the first baccalaureate degree at the time the scholarship is awarded;

(5) is enrolled in at least one credit per fall, spring, or summer semester;

(6) is enrolled in a program or course of study that applies to a degree, diploma, or certificate;

(7) is not in default, as defined by the office, of any federal or state student educational loan;

(8) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages;

(9) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C; and

(10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Sec. 24. Minnesota Statutes 2024, section 136A.155, is amended to read:

136A.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.

A postsecondary institution is an eligible institution for purposes of sections 136A.15 to 136A.1702, if the institution:

(1) meets the eligibility requirements under section 136A.103; or

(2) is operated publicly or privately in another state~~,~~ and is approved by the United States Secretary of Education~~, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state~~.

Sec. 25. Minnesota Statutes 2024, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

(a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the office for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.

(b) Data on applicants may be disclosed to the commissioner of children, youth, and families to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

(c) The following data collected in the Minnesota supplemental loan program under sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

(1) the lender-assigned borrower identification number;

(2) the name and address of borrower;

(3) the name and address of cosigner;

(4) the date the account is opened;

(5) the outstanding account balance;

(6) the dollar amount past due;

(7) the number of payments past due;

~~(8) the number of late payments in previous 12 months;~~

~~(9)~~ (8) the type of account;

~~(10)~~ (9) the responsibility for the account; and

~~(11)~~ (10) the status or remarks code.

Sec. 26. Minnesota Statutes 2024, section 136A.1796, is amended to read:

136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.

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

(b) "Beneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college and is an enrolled member of a federally recognized Indian Tribe.

~~(b)~~ (c) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college but is not an enrolled member of a federally recognized Indian Tribe.

~~(c)~~ (d) "Tribally controlled college" means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian Tribe, or a combination of federally recognized Indian Tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

Subd. 2. **Eligibility; grant assistance.** (a) A Tribally controlled college is eligible to receive supplemental grant assistance from the office, as provided in this section, for beneficiary and nonbeneficiary student enrollment ~~if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808~~ in the fall, spring, and summer terms.

(b) The office shall make grants to Tribally controlled colleges to defray the costs of education associated with the enrollment of beneficiary and nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.

(c) The minimum annual grant amount for each eligible Tribally controlled college is $1,000,000. The maximum annual grant amount for each eligible Tribally controlled college is $1,050,000.

Subd. 3. **Grant application.** To receive a grant under this section, a Tribally controlled college must submit an application in the manner required by the office. Upon submission of a completed application indicating that the Tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of $5,300 for each beneficiary and nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per beneficiary and nonbeneficiary student on a full-time equivalent basis.

Subd. 4. **Reporting by recipient institutions.** Each Tribally controlled college receiving a grant under this section shall provide to the office, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each beneficiary and nonbeneficiary student for which grant assistance is sought under this section.

Sec. 27. Minnesota Statutes 2024, section 136A.246, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training; and

(3) results in the employee receiving an industry-recognized accredited degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

(2) licensed or registered as a postsecondary institution by the office; or

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized accredited degrees, certificates, or credentials" means:

(1) certificates, diplomas, or degrees issued by ~~a~~ an accredited postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 28. Minnesota Statutes 2024, section 136A.246, subdivision 3, is amended to read:

Subd. 3. **Eligible training provider.** The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of accredited degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program. The postings must be updated periodically.

Sec. 29. Minnesota Statutes 2024, section 136A.65, subdivision 4, is amended to read:

Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:

(1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;

(2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;

(3) the school operates in conformity with generally accepted accounting principles according to the type of school;

(4) the school provides an educational program leading to the degree it offers;

(5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;

(6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;

(7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;

(8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;

(9) the school provides information to students and prospective students concerning:

(i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;

(ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;

(iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and

(v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;

(10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b);

(11) the school has a process to receive and act on student complaints;

(12) <u>if the school is unaccredited,</u> the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program; and

(13) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.672.

(b) An application for degree approval must also include:

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

(vi) projected enrollment for a period of five years;

(vii) the curriculum required for the degree, including course syllabi or outlines;

(viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;

(ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Sec. 30. Minnesota Statutes 2024, section 136A.653, subdivision 5, is amended to read:

Subd. 5. **Higher Learning Commission accredited institutions in Minnesota.** (a) A postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:

(1) program degree levels, program degree types, majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;

(2) nondegree programs ~~within approved degrees~~;

(3) underlying curriculum or courses;

(4) modes of delivery; ~~and~~

(5) locations; and

(6) course or term changes that do not impact the number of instructional hours.

(b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.

(c) The institution must notify the commissioner within 60 days of a program closing.

(d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.

(e) Institutions under this provision may advertise, recruit, and enroll students while the program is evaluated for an exemption. In the event the program is determined not to be exempt, institutions must complete the full review application to the office within 60 days of notification or cease advertisement, recruitment, and enrollment of students and will be subject to the penalty provisions of sections 136A.65, subdivision 8; 136A.705; and 136A.71.

Sec. 31. Minnesota Statutes 2024, section 136A.658, is amended to read:

136A.658 EXEMPTION; STATE AUTHORIZATION RECIPROCITY AGREEMENT SCHOOLS.

(a) The office may participate in an interstate reciprocity agreement regarding postsecondary distance education if it determines that participation is in the best interest of Minnesota postsecondary students.

(b) If the office decides to participate in an interstate reciprocity agreement, an institution that meets the following requirements is exempt from the provisions of sections 136A.61 to 136A.71:

(1) the institution is situated in a state which is also participating in the interstate reciprocity agreement;

(2) the institution has been approved to participate in the interstate reciprocity agreement by the institution's home state and other entities with oversight of the interstate reciprocity agreement; and

(3) the institution has elected to participate in and operate in compliance with the terms of the interstate reciprocity agreement.

(c) If the office participates in an interstate reciprocity agreement and the office is responsible for the administration of that interstate reciprocity agreement, which may include the approval of applications for membership of in-state institutions to participate in the interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover, but not exceed, its costs to administer the interstate reciprocity agreement. The office processing fees for approving an in-state institution application shall be as follows:

(1) ~~$750~~ $1,500 for institutions with ~~fewer than~~ 2,500 or fewer full-time equivalent enrollment;

(2) ~~$3,000~~ $5,000 for institutions with 2,501 to ~~20,000~~ 12,500 full-time equivalent enrollment; and

(3) $7,500 for institutions with greater than ~~20,001~~ 12,500 full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System.

Sec. 32. Minnesota Statutes 2024, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) to (d) for new registrations.

(b) A new school ~~offering no more than one degree at each level during its first year~~ must pay registration fees ~~for each applicable level~~ based on the institution's total full-time equivalent enrollment in the following amounts:

~~associate degree~~	~~$2,000~~
~~baccalaureate degree~~	~~$2,500~~
~~master's degree~~	~~$3,000~~
~~doctorate degree~~	~~$3,500~~

(1) $5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

(4) $15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) $20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System.

(c) A new school ~~that will offer more than one degree per level during its first year~~ must pay registration fees in an amount equal to the fee ~~for the first degree at each degree level~~ under paragraph (b), plus fees for each ~~additional~~ nondegree program or degree as follows:

nondegree program	$250
~~additional associate degree~~	~~$250~~
~~additional baccalaureate degree~~	~~$500~~
~~additional master's~~ degree program	$750
~~additional doctorate degree~~	~~$1,000~~

(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If

this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

(e) The annual renewal registration fee is ~~$1,500.~~ based on an institution's total full-time equivalent enrollment in the following amounts:

(1) $1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) $7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System.

(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 33. Minnesota Statutes 2024, section 136A.821, subdivision 4, is amended to read:

Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof. Person does not extend to:

(1) a government body;

(2) a public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17; or

(3) a nonpublic school, religious organization, or home school as defined in section 120A.22, subdivision 4.

Sec. 34. Minnesota Statutes 2024, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level~~; is not registered as a private institution~~

~~under sections 136A.61 to 136A.71;~~ and is not specifically exempted by section 136A.833. Private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; or 136A.658 due to the nature of the institution's programs;

(4) schools exclusively engaged in training physically or mentally disabled persons;

(5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) programs contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, except institutions or programs required to obtain a limited license exclusively to receive the dual training grant;

(7) schools with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) schools licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, except for institutions or programs required to be licensed exclusively to participate in state financial aid, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;

(9) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment; or

(12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 35. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 21. **Vocational.** "Vocational" means education or training for skills used in the labor market.

Sec. 36. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 22. **Trade union.** "Trade union" means an organization of workers in a skilled occupation who act together to secure all members favorable wages, hours, or other working conditions.

Sec. 37. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 23. **Eligible training provider.** "Eligible training provider" has the meaning given in Code of Federal Regulations, title 20, section 680.410.

Sec. 38. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 24. **Eligible training provider list.** "Eligible training provider list" means the list of eligible training providers that the state must maintain under Code of Federal Regulations, title 20, section 680.430.

Sec. 39. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 25. **State financial aid** For the purposes of sections 136A.82 to 136A.834, "state financial aid" includes all financial aid that may be awarded under chapter 136A, with the exception of the dual training grant under section 136A.246.

Sec. 40. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 26. **WIOA funding.** "WIOA funding" means any money available through the Workforce Innovation and Opportunity Act under Code of Federal Regulations, title 20, section 680.

Sec. 41. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:

Subd. 27. **Dual training grant.** "Dual training grant" means any money awarded under section 136A.246.

Sec. 42. Minnesota Statutes 2024, section 136A.822, subdivision 3, is amended to read:

Subd. 3. **Refunds.** If a contract is ~~deemed~~ determined by the office to be unenforceable under subdivision 2, a private career school must refund tuition, fees, and other charges received from a student or on behalf of a student within 30 days of receiving written notification and demand for refund from the office.

Sec. 43. Minnesota Statutes 2024, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)~~(1)~~ The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, but in no event less than $10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

~~(2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of $10,000.~~

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 44. Minnesota Statutes 2024, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within ~~a reasonable period of time~~ 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;

(10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 45. Minnesota Statutes 2024, section 136A.822, subdivision 13, is amended to read:

Subd. 13. ~~**Private career schools licensed by another state agency or board**~~ **Limited license.** Unless otherwise exempt under this act:

(1) a private career school, which is licensed by another state agency or board, is required to obtain a ~~private career school~~ limited license ~~due~~ to ~~the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating~~ participate in state financial aid ~~under chapter 136A, and which is also licensed by another state agency or board~~;

(2) a private career school seeking exclusively to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license; and

(3) a private career school seeking a limited license under this subdivision is ~~shall be~~ required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), ~~(5),~~ (7), (8), (9), and (10); 5; ~~6, paragraph (b), clause (2);~~ 8, clauses (1), (4), (7), (8), ~~and~~ (9), and (10); 9; 10; 11; and 12. If a school is licensed to participate in state financial aid under this chapter, the school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a school licensed to recruit Minnesota residents for attendance at a school outside of this state, or a school licensed by another state agency as its primary licensing body, may continue to use the school's name as permitted by its home state or its primary licensing body.

Sec. 46. Minnesota Statutes 2024, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure application is:

(1) ~~$2,500~~ $3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) ~~$750~~ $1,500 for a private career school licensed exclusively ~~due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order~~ to participate in state ~~grant or SELF loan~~ financial aid ~~programs~~, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant; and

(3) ~~$2,500~~ $3,730, plus $500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections,

amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 47. Minnesota Statutes 2024, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school ~~that offers one program~~, the license renewal fee is ~~$1,150~~ $3,160; and

~~(2) for a private career school that offers more than one program, the license renewal fee is $1,150, plus $200 for each additional program with a maximum renewal licensing fee of $2,000;~~

~~(3) for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is $750; and~~

~~(4)~~ (2) for a private career school licensed by another state agency and also licensed with the office exclusively in order to participate in state ~~student~~ financial aid ~~programs~~, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, the license renewal fee is ~~$750~~ $1,500.

(b) If a license renewal application is not received by the office by ~~the close of business at least 60 days before~~ the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

Sec. 48. Minnesota Statutes 2024, section 136A.824, subdivision 6, is amended to read:

Subd. 6. **Solicitor permit fee.** The solicitor permit fee is ~~$350~~ $500 and must be paid annually.

Sec. 49. Minnesota Statutes 2024, section 136A.824, subdivision 7, is amended to read:

Subd. 7. **Multiple location fee.** Private career schools wishing to operate at multiple locations must pay the greater of:

(1) ~~$250~~ $500 per location~~, for locations two to five; and~~; or

(2) ~~an additional $100 for each location over five.~~ the actual cost of travel expenses, lodging, and customary meals incurred for an in-person site visit, should the office determine one is necessary.

Sec. 50. Minnesota Statutes 2024, section 136A.833, is amended to read:

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant is exempt from sections 136A.822 to 136A.834, except that the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

~~(1) public postsecondary institutions;~~

~~(2) postsecondary institutions registered under sections 136A.61 to 136A.71;~~

~~(3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;~~

~~(4) private schools complying with the requirements of section 120A.22, subdivision 4;~~

~~(5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure all members favorable wages, hours, and other working conditions;~~

~~(6) private career schools exclusively engaged in training physically or mentally disabled persons;~~

~~(7) private career schools licensed or approved by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;~~

~~(8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee, regardless of whether that fee is reimbursed by the employer or third party after the employee successfully completes the training;~~

~~(9)~~ (1) private career schools engaged exclusively in the teaching of ~~purely~~ avocational programs that are engaged primarily for personal development, ~~recreational~~ recreation, or remedial ~~subjects that~~ education, and are not ~~advertised or maintained~~ generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office ~~except private career schools required to obtain a private career school license due to the use of "college" or "university" in their names~~;

~~(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;~~

~~(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;~~

~~(12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity, and that are offered exclusively to individuals with the professional licensure or certification. In making the determination that the licensure or certification is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the licensure and certification is recognized in Minnesota;~~

~~(13) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations and does not include the instruction to prepare students for that license, occupation, certification, or exam;~~

~~(14)~~ (2) classes, courses, or programs providing ~~16~~ 40 or fewer clock hours of instruction; and

~~(15) classes, courses, or programs providing instruction in personal development that is not advertised or maintained for vocational or career advancement, modeling, or acting;~~

~~(16) private career schools with no physical presence in Minnesota engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and~~

~~(17)~~ (3) private career schools providing ~~exclusively~~ training, instructional programs, or courses where tuition, fees, and any other charges~~, regardless of payment or reimbursement method,~~ for a student to participate do not exceed ~~$100~~ $500.

Sec. 51. Minnesota Statutes 2024, section 136A.834, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.821 to 136A.832 if it is:

(1) offered by a ~~private career~~ school or any department or branch of a ~~private career~~ school that is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization.

(b) Any ~~private career~~ school or any department or branch of a ~~private career~~ school is exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are exempt under paragraph (a).

Sec. 52. Minnesota Statutes 2024, section 136A.834, subdivision 5, is amended to read:

Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to the fees and penalties under sections 136A.831 and 136A.832.

Sec. 53. Minnesota Statutes 2024, section 136A.87, is amended to read:

136A.87 PLANNING INFORMATION FOR POSTSECONDARY EDUCATION.

(a) The office shall make available to all residents beginning in 7th grade through adulthood information about planning and preparing for postsecondary opportunities. Information must be provided to all 7th grade students and their parents annually by September 30 about planning for their postsecondary education. The office may also provide information to high school students and their parents, to adults, and to out-of-school youth.

~~(b) The office shall gather and share information with students and parents about the dual credit acceptance policies of each Minnesota public and private college and university. The office shall~~

~~gather and share information related to the acceptance policies for concurrent enrollment courses, postsecondary enrollment options courses, advanced placement courses, and international baccalaureate courses. This information must be shared on the office's website and included in the information under paragraph (a).~~

~~(c)~~ (b) The information provided under paragraph (a) may include the following:

(1) the need to start planning early;

(2) the availability of assistance in educational planning from educational institutions and other organizations;

(3) suggestions for studying effectively during high school;

(4) high school courses necessary to be adequately prepared for postsecondary education;

(5) encouragement to involve parents actively in planning for all phases of education;

(6) information about postsecondary education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;

(7) ways to evaluate and select postsecondary institutions;

(8) the process of transferring credits among Minnesota postsecondary institutions and systems;

(9) the costs of postsecondary education and the availability of financial assistance in meeting these costs, including specific information about the Minnesota Promise;

(10) the interrelationship of assistance from student financial aid, public assistance, and job training programs;

(11) financial planning for postsecondary education; and

(12) postsecondary education options for students with intellectual and developmental disabilities.

Sec. 54. Minnesota Statutes 2024, section 136A.901, subdivision 1, is amended to read:

Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic brain injuries. Grants shall be awarded to conduct research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord and traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. The commissioner, in consultation with the advisory council established under section 136A.902, shall award 50 percent of the grant funds for research involving spinal cord injuries and 50 percent to research involving traumatic brain injuries. In addition to the amounts appropriated by law, the commissioner may accept additional funds from private and public sources. Amounts received from these sources are appropriated to the commissioner for the purposes of issuing grants under this section.

(b) Institutions that are eligible to apply for a grant under this section include postsecondary institutions, nonprofit organizations, and for-profit organizations.

~~(b)~~ (c) A spinal cord and traumatic brain injury grant account is established in the special revenue fund. Money in the account is appropriated to the commissioner to make grants and to administer the grant program under this section. Appropriations to the commissioner for the program are for transfer to the account. Appropriations from the account do not cancel and are available until expended.

Sec. 55. Minnesota Statutes 2024, section 137.022, subdivision 3, is amended to read:

Subd. 3. **Endowed chair account.** (a) For purposes of this section, the permanent university fund has three accounts. The sources of the money in the endowed mineral research and endowed scholarship accounts are set out in paragraph (b) and subdivision 4. All money in the fund that is not otherwise allocated is in the endowed chair account. The income from the endowed chair account must be used, and capital gains allocated to that account may be used, to provide endowment support for professorial chairs in academic disciplines. The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the endowed chair account of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowment support for all university chairs and professorships endowed, with nonstate sources providing the remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation of the income is not used for the purposes specified in paragraph (a) or subdivision 4, that portion lapses and must be added to the principal of the three accounts of the permanent university fund in proportion to the market value of each account.

Sec. 56. Minnesota Statutes 2024, section 137.022, subdivision 4, is amended to read:

Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)~~(1)~~ Beginning January 1, ~~2013~~ 2026, ~~50 percent of~~ the income must be allocated according to this paragraph.

~~One-half~~ (1) One-fourth of the income under this paragraph, up to ~~$50,000,000~~ $100,000,000, must be credited to the endowed mineral research account of the fund ~~to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities,~~ for mineral and mineral-related research, including mineral-related environmental research, at the Natural Resources Research Institute-Duluth and Coleraine facilities.

~~The other one-half~~ (2) One-fourth of the income under this paragraph, up to $25,000,000, ~~is~~ must be credited to an endowment for ~~the costs of~~ operating mining, mineral, and mineral-related~~,~~ degree programs or science, technology, engineering, and mathematics (STEM) degree programs offered through the University of Minnesota at Minnesota North College and the University of Minnesota Duluth Swenson College of Science and Engineering ~~at Duluth~~ to support workforce development and collaborations benefiting regional academics, industry, and natural resources on

the Iron Range in northeast Minnesota, and for providing scholarships for Minnesota students, prioritizing students in the Minnesota Economic Development Region 3, to attend the mining, mineral, mineral-related, or STEM degree programs. The maximum scholarship awarded to attend the degree programs funded under this paragraph cannot exceed 75 percent of current resident tuition rates per academic year and may be awarded a maximum of four academic years.

(3) One-fourth of the income under this paragraph must be credited to the Natural Resources Research Institute for general operating and research costs.

~~(2) The remainder of the income under paragraph (a)~~ (4) One-fourth of the income under this paragraph, plus the ~~amount of any~~ remainder of the income allocated under clause (1) after ~~$50,000,000~~ $100,000,000 has been credited to the endowed mineral research account ~~for the Natural Resources Research Institute and the amount of any income over the $25,000,000 for the programming in clause (1)~~ and the remainder of the income allocated under clause (2) after $25,000,000 has been credited to an endowment for mining, mineral, mineral-related, or STEM degree programs and scholarships, must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the Board of Regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 57. Minnesota Statutes 2024, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

(1) an emergency medical responder registered pursuant to section 144E.27;

(2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);

(3) correctional employees of a state or local political subdivision;

(4) staff of community-based health disease prevention or social service programs;

(5) a volunteer firefighter;

(6) a nurse or any other personnel employed by, or under contract with, a postsecondary institution or a charter, public, or private school; and

(7) transit rider investment program personnel authorized under section 473.4075.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

(d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is authorized to possess and administer according to this subdivision an opiate antagonist in a school setting.

Sec. 58. Minnesota Statutes 2024, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in June, the commissioner shall allocate available bonding authority from the small issue pool to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the second Tuesday in January through the last Monday in June, the commissioner shall reserve $5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota Rural Finance Authority.

Beginning in calendar year ~~2002~~ 2026, on the second Tuesday in January through the last Monday in June, the commissioner shall reserve ~~$10,000,000~~ $25,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota Office of Higher Education. The total amount of allocations for student loan bonds from the small issue pool may not exceed ~~$10,000,000~~ $25,000,000 per year.

The commissioner shall reserve $10,000,000 until the day after the last Monday in February, $10,000,000 until the day after the last Monday in April, and $10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045.

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of

points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 59. Laws 2023, chapter 41, article 2, section 31, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education shall establish a program to provide ~~up to 600~~ scholarships to students entering paramedic programs ~~by 2026~~.

Sec. 60. Laws 2023, chapter 41, article 2, section 31, subdivision 4, is amended to read:

Subd. 4. **Reporting.** By February 1~~, 2025, and again by February 1, 2026~~ each year, the commissioner must submit a report on the program to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information and any other information the commissioner considers relevant:

(1) information about all postsecondary programs giving rise to eligibility for a scholarship under this section, including the programs' locations, costs, enrollment capacities, acceptance rates, and other relevant information;

(2) available data on the current and forecasted demand for paramedics in Minnesota; and

(3) the total number of scholarships issued, disaggregated by:

(i) year of award;

(ii) postsecondary institution attended; and

(iii) relevant and available demographic data about award recipients.

Sec. 61. **SURPLUS APPROPRIATION UNAVAILABLE.**

Notwithstanding Minnesota Statutes, section 136A.121, subdivision 7a, the commissioner of the Office of Higher Education must not apply the adjustments to grant awards provided in Minnesota Statutes, section 136A.121, subdivision 7a, in the fiscal years 2026 through 2028.

Sec. 62. **MINNESOTA STATE COLLEGES AND UNIVERSITIES ENROLLMENT FRAUD WORKING GROUP.**

The Board of Trustees of the Minnesota State Colleges and Universities must convene a working group to develop policies and procedures to prevent fraudulent enrollment in online courses for the purpose of gaining access to financial aid, campus information technology systems, and student support services. The board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education by January 15, 2026. No additional compensation will be provided for participation in this working group. The working group must include representatives from:

(1) the Minnesota State University Student Association;

(2) the Minnesota State College Student Association;

(3) the Minnesota State College Faculty;

(4) the Inter Faculty Organization;

(5) the Minnesota Association of Professional Employees;

(6) the Minnesota State University Association of Administrative and Service Faculty; and

(7) others as deemed necessary by the working group.

Sec. 63. **REVISOR INSTRUCTION.**

The revisor of statutes shall codify Laws 2023, chapter 41, article 2, section 31, as amended by this act, as a new section in Minnesota Statutes numbered section 136A.1278.

Sec. 64. **REVISOR INSTRUCTION.**

Subdivision 1. **Student parent support.** The revisor of statutes must renumber Minnesota Statutes, section 136A.1251, as Minnesota Statutes, section 136A.915. The revisor must also make cross-reference changes consistent with the renumbering.

Subd. 2. **Inclusive higher education.** The revisor of statutes must renumber Minnesota Statutes, section 135A.161, as Minnesota Statutes, section 136A.921. The revisor of statutes must renumber Minnesota Statutes, section 135A.162, as Minnesota Statutes, section 136A.922. The revisor must also make cross-reference changes consistent with the renumbering.

Sec. 65. **REPEALER.**

(a) Minnesota Statutes 2024, sections 135A.137; 136A.69, subdivisions 3 and 5; and 136A.824, subdivisions 3 and 5, are repealed.

(b) Laws 2023, chapter 41, article 2, section 31, subdivision 5, is repealed.

(c) Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.1251, subdivision 5; 136A.1788, subdivision 5; 136A.1791, subdivision 9; 136A.861, subdivision 7; and 136A.91, subdivision 3, are repealed.

(d) Minnesota Rules, part 4850.0014, subparts 1 and 2, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, and the University of Minnesota; creating and modifying certain scholarships and student aid programs; modifying program reporting requirements; modifying requirements for sexual misconduct grievance processes; requiring a standardized financial aid offer form; modifying requirements for licensing of nonpublic and out-of-state postsecondary institutions; requiring reports; appropriating money; amending Minnesota

Statutes 2024, sections 135A.052, subdivision 1; 135A.15, subdivisions 1a, 2a; 135A.1582; 136A.01, by adding a subdivision; 136A.101, subdivision 5a; 136A.103; 136A.121, subdivisions 6, 7, 7a, 9, 13; 136A.1465, subdivisions 1, 2, by adding a subdivision; 136A.155; 136A.162; 136A.1796; 136A.246, subdivisions 1a, 3; 136A.65, subdivision 4; 136A.653, subdivision 5; 136A.658; 136A.69, subdivision 1; 136A.821, subdivisions 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824, subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; 136A.87; 136A.901, subdivision 1; 137.022, subdivisions 3, 4; 151.37, subdivision 12; 474A.061, subdivision 2b; Laws 2023, chapter 41, article 2, section 31, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 120B; 135A; 136A; repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 135A.137; 136A.057; 136A.1251, subdivision 5; 136A.1788, subdivision 5; 136A.1791, subdivision 9; 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5; 136A.861, subdivision 7; 136A.91, subdivision 3; Laws 2023, chapter 41, article 2, section 31, subdivision 5; Minnesota Rules, part 4850.0014, subparts 1, 2."

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

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

S.F. No. 3096: A bill for an act relating to elections; modifying certain election judge provisions; amending Minnesota Statutes 2024, section 204C.09, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ELECTIONS APPROPRIATIONS

Section 1. **ELECTIONS 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. **SECRETARY OF STATE**	$ 260,000	$ -0-

Sec. 3. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **$ 2,319,000 $ 1,846,000**

$500,000 the first year is to pay fees and expenses if an order granting plantiff's motion for them is filed in Minnesota Chamber of Commerce v. Choi (23-CV-02015). The board must pay, on behalf of all defendants, all fees and expenses awarded to the plaintiff.

Sec. 4. **TRANSFERS; SECRETARY OF STATE.**

(a) The secretary of state, in consultation with the commissioner of management and budget, must transfer $200,000 in fiscal year 2026 from the general fund to the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30. This is a onetime transfer.

(b) The secretary of state, in consultation with the commissioner of management and budget, must transfer any balance remaining in the voting equipment grant account established under Minnesota Statutes, section 206.95, on the effective date of this section to the voting operations, technology, and election resources account established under Minnesota Statutes, section 5.305.

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

Sec. 5. Minnesota Statutes 2024, section 202A.20, subdivision 2, is amended to read:

Subd. 2. **Reporting caucus results.** If a major political party does not participate in a presidential nomination primary pursuant to chapter 207A and instead conducts preference balloting at precinct caucuses, the secretary of state shall promptly report to the public the results of preference balloting at the precinct caucuses.

Sec. 6. Minnesota Statutes 2024, section 207A.11, is amended to read:

207A.11 PRESIDENTIAL NOMINATION PRIMARY ESTABLISHED.

(a) A presidential nomination primary must be held each year in which a president and vice president of the United States are to be nominated and elected, except as provided in section 207A.17, paragraph (b).

(b) The party chairs must jointly submit to the secretary of state, no later than March 1 in a year prior to a presidential election year, the single date on which the parties have agreed to conduct the presidential nomination primary in the next year. The date selected must not be the date of the town general election provided in section 205.075, subdivision 1. If a date is not jointly submitted by the deadline, the presidential nomination primary must be held on the first Tuesday in March in the year of the presidential election. No other election may be conducted on the date of the presidential nomination primary.

(c) The secretary of state must adopt rules to implement the provisions of this chapter. The secretary of state shall consult with the party chairs throughout the rulemaking process, including

seeking advice about possible rules before issuing a notice of intent to adopt rules, consultation before the notice of comment is published, consultation on the statement of need and reasonableness, consultation in drafting and revising the rules, and consultation regarding any modifications to the rule being considered.

(d) This chapter only applies to a major political party that selects delegates at the presidential nomination primary to send to a national convention. A major political party that does not participate in a national convention is not eligible to participate in the presidential nomination primary.

(e) For purposes of this chapter, "political party" or "party" means a major political party as defined in section 200.02, subdivision 7, that is eligible to participate in the presidential nomination primary.

Sec. 7. **[207A.17] PARTY PAYMENT FOR COSTS.**

(a) No later than September 1 of the year preceding a presidential election year, the secretary of state must notify each major political party of the estimated state and local costs of conducting the presidential nomination primary and invoice each party for its portion of the costs. Each party's portion of the costs is calculated by dividing the amount originally certified to the commissioner of management and budget under section 207A.15, subdivision 1, paragraph (b), by the number of parties eligible to participate in the presidential nomination primary. The secretary of state must deposit payments received from parties for amounts billed under this paragraph in the general fund.

(b) If at least one party pays the secretary of state the amount invoiced to it under paragraph (a) by October 1 of the year preceding a presidential election year, then a presidential nomination primary must be held the following year. If a party does not pay the amount invoiced to it under paragraph (a) by October 1 of the year preceding a presidential election year, then section 207A.13 does not apply to that party in the following year, and a presidential nomination primary ballot must not be prepared for that party. If no party pays the secretary of state the amount invoiced to it under paragraph (a) by October 1 of the year preceding a presidential election year, then a presidential nomination primary must not be held.

Sec. 8. **WORKING GROUP ON LOCAL CANDIDATE CAMPAIGN FINANCE REPORTING.**

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

(b) "Board" means the Campaign Finance and Public Disclosure Board.

(c) "Candidate" means an individual who seeks nomination or election to a county, municipal, school district, or other political subdivision office. This definition does not include an individual seeking a judicial office.

(d) "Local campaign report" means any report that a candidate is required to file pursuant to Minnesota Statutes, chapter 211A.

Subd. 2. **Membership.** (a) The working group consists of the following 12 members:

(1) two members of the Campaign Finance and Public Disclosure Board affiliated with different political parties appointed by the board's chair;

(2) the executive director of the Campaign Finance and Public Disclosure Board;

(3) two members appointed by the League of Minnesota Cities, one of whom must be from a city of the fourth class;

(4) one member appointed by the Association of Minnesota Counties;

(5) one member appointed by the Minnesota Association of Townships;

(6) one member appointed by the Minnesota School Boards Association;

(7) one senator appointed by the senate majority leader and one senator appointed by the senate minority leader; and

(8) one representative appointed by the speaker of the house and one representative appointed by the minority leader of the house of representatives.

(b) Appointments to the working group must be made within two weeks after the effective date of this section.

(c) Public member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3. Notwithstanding Minnesota Statutes, section 15.0595, the source of payment for compensation and reimbursement for expenses of nonlegislative members of the working group is appropriations available to the Campaign Finance and Public Disclosure Board. Legislative members may receive per diem and be reimbursed for their expenses according to the rules of their respective bodies.

Subd. 3. **Chairs; meetings.** (a) The executive director of the board must convene the first meeting of the working group no later than six weeks after the effective date of this section. At the first meeting, members must elect a chair from among the legislative members of the working group members.

(b) Working group meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The Legislative Coordinating Commission must provide administrative support and meeting space for the working group. Upon request of the working group, the staff of the Campaign Finance and Public Disclosure Board must provide technical support.

Subd. 5. **Duties.** At a minimum, the working group must:

(1) examine and make recommendations on whether any or all local candidate campaign finance reports should be filed with the board instead of with a local filing officer;

(2) assess the extent to which local filing officers are currently able to provide support to local candidates and the public related to their duty to accept campaign finance reports from local candidates;

(3) review the reporting requirements for local candidates in Minnesota Statutes, chapter 211A, and recommend any changes to those requirements that should be made, especially if the reports were to be filed with the board;

(4) study the impact of the potential increase of reports being made to the board in terms of budgetary and staffing needs and the ability of the board to support the local candidates in filing the reports;

(5) study local campaign finance reporting requirements and make any recommendations on changes to the laws; and

(6) propose draft legislation to implement any of the working group's recommendations.

Subd. 6. **Report.** No later than January 15, 2026, the working group must submit a written report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over elections. The report must outline a description of the working group's activities, how the working group addressed each duty described in subdivision 5, any recommendations made by the working group, and any proposed legislation recommended by the working group.

Subd. 7. **Expiration.** The working group expires upon submission of the report required under subdivision 6, or January 16, 2026, whichever is later.

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

Sec. 9. **VOTER OUTREACH; SECRETARY OF STATE.**

The secretary of state must conduct voter outreach efforts across the state with the goal of increasing voter turnout. The secretary must focus on counties with the lowest voter turnout in the 2022 and 2024 general elections. At a minimum, these efforts must include publicizing the methods of registering to vote or updating a voter registration, the ways to vote on or before election day, and recent changes to laws relating to voter registration and early voting. The secretary of state must provide these voter outreach materials in the three most common non-English languages and any other language required for a language minority district in a county, as defined by Minnesota Statutes, section 204B.295.

Sec. 10. **REPEALER.**

Minnesota Statutes 2024, section 206.95, is repealed.

ARTICLE 2

CAMPAIGN FINANCE POLICY

Section 1. **[5.51] EXPENSES OF SECRETARY OF STATE-ELECT.**

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

(b) "Secretary of state-elect" means the person who is not currently secretary of state and is the apparent successful candidate for the Office of Secretary of State following a general election.

(c) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of an election for secretary of state and subject to availability of funds, the commissioner shall transfer up to $50,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the secretary of state-elect, the commissioner shall use the transferred funds to pay expenses of the secretary of state-elect associated with preparing for the assumption of official duties as secretary of state. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent secretary of state is reelected or after the inauguration of a new secretary of state. Expenses of the secretary of state-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the secretary of state-elect and rates paid for consulting services for the secretary of state-elect shall be determined by the secretary of state-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the secretary of state-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the secretary of state-elect.

Sec. 2. **[6.93] EXPENSES OF STATE AUDITOR-ELECT.**

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

(b) "State auditor-elect" means the person who is not currently state auditor and is the apparent successful candidate for the Office of State Auditor following a general election.

(c) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of an election for state auditor and subject to availability of funds, the commissioner shall transfer up to $50,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the state auditor-elect, the commissioner shall use the transferred funds to pay expenses of the state auditor-elect associated with preparing for the assumption of official duties as state auditor. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent state auditor is reelected or after the inauguration of a new state auditor. Expenses of the state auditor-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the state auditor-elect and rates paid for consulting services for the state auditor-elect shall be determined by the state auditor-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the state auditor-elect after the date of the inauguration. By March 31 of the year of the inauguration, the

commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the state auditor-elect.

Sec. 3. **[8.40] EXPENSES OF ATTORNEY GENERAL-ELECT.**

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

(b) "Attorney general-elect" means the person who is not currently attorney general and is the apparent successful candidate for the Office of Attorney General following a general election.

(c) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of an election for attorney general and subject to availability of funds, the commissioner shall transfer up to $75,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the attorney general-elect, the commissioner shall use the transferred funds to pay expenses of the attorney general-elect associated with preparing for the assumption of official duties as attorney general. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent attorney general is reelected or after the inauguration of a new attorney general. Expenses of the attorney general-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the attorney general-elect and rates paid for consulting services for the attorney general-elect shall be determined by the attorney general-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the attorney general-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the attorney general-elect.

Sec. 4. Minnesota Statutes 2024, section 10A.01, subdivision 16a, is amended to read:

Subd. 16a. **Expressly ~~advocating~~ advocates.** "Expressly ~~advocating~~ advocates" means that a communication:

(1) clearly identifies a candidate or a local candidate and uses words or phrases of express advocacy; or

(2) when taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidates because:

(i) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(ii) reasonable minds could not differ as to whether the communication encourages actions to elect or defeat one or more clearly identified candidates or encourages some other kind of action.

Sec. 5. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 16c. **Expert witness.** "Expert witness" means an individual preparing or delivering testimony or a report consisting of information, data, or professional opinions on which the individual has particular expertise gained through formal education, professional or occupational training, or experience in a field in which the individual is or has been employed.

Sec. 6. Minnesota Statutes 2024, section 10A.01, subdivision 18, is amended to read:

Subd. 18. **Independent expenditure.** (a) "Independent expenditure" means an expenditure ~~expressly advocating the election or defeat of a clearly identified candidate or local candidate, if the expenditure~~ is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent or any local candidate or local candidate's agent~~.~~ and:

(1) expressly advocates the election or defeat of a clearly identified candidate or local candidate; or

(2) promotes, supports, attacks, or opposes the nomination, election, or defeat of a clearly identified candidate or local candidate, regardless of whether the expenditure expressly advocates for or against a candidate or local candidate.

(b) An independent expenditure is not a contribution to that candidate or local candidate.

(c) An independent expenditure does not include the act of announcing a formal public endorsement of a candidate or local candidate for public office, unless the act is simultaneously accompanied by an expenditure that would otherwise qualify as an independent expenditure under this subdivision.

Sec. 7. Minnesota Statutes 2024, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than $3,000 from all sources in any year:

(i) for the purpose of attempting to influence legislative or administrative action, or the official action of a political subdivision, by communicating with public or local officials; or

(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients; or

(2) who spends more than $3,000 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a political subdivision, by communicating with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the ~~nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of political subdivisions~~ local official or employee spends more than 50 hours in any month attempting to influence legislative or administrative action or the official action of a metropolitan governmental unit, other than a political subdivision employing the official or employee, by communicating with public or local officials;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) ~~a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony~~ an expert witness who communicates with public or local officials, other than the Public Utilities Commission, if the communication occurs at a public meeting or is made available to the general public;

(9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim; or

(10) an individual providing information or advice to members of a collective bargaining unit when the unit is actively engaged in the collective bargaining process with a state agency or a political subdivision.

(c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.

(d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

Sec. 8. Minnesota Statutes 2024, section 10A.01, subdivision 24, is amended to read:

Subd. 24. **Metropolitan governmental unit.** "Metropolitan governmental unit" means ~~any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2,~~ a regional railroad authority established by ~~one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven county metropolitan area,~~ a county in the metropolitan area as defined in section 473.121, subdivision 2; the Metropolitan Council~~, or a metropolitan agency as defined in section 473.121, subdivision 5a~~; the Metropolitan Parks and Open Space Commission; the Metropolitan Airports Commission; or the Minnesota Sports Facilities Authority.

Sec. 9. Minnesota Statutes 2024, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services related to operating the candidate's campaign committee, serving in office, or security for the candidate or the candidate's immediate family, including but not limited to seeking and obtaining a harassment restraining order;

(2) return of a contribution to the source;

(3) repayment of a loan made to the principal campaign committee by that committee;

(4) return of a public subsidy;

(5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fundraising event;

(6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;

(7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;

(8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

(9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(11) costs of child care for the candidate's children when campaigning;

(12) fees paid to attend a campaign school;

(13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(14) interest on loans paid by a principal campaign committee on outstanding loans;

(15) filing fees;

(16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;

(17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(18) contributions to a party unit;

(19) payments for funeral gifts or memorials;

(20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;

(21) costs associated with a candidate attending a political party state or national convention in this state;

(22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) costs paid by a candidate's principal campaign committee to support the candidate's participation in a recount of ballots affecting the candidate's election;

(25) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(26) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(27) a donation from a terminating principal campaign committee to the state general fund;

(28) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office;

(29) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to $3,000 for detection-related

security monitoring expenses for a candidate, including home security hardware, maintenance of home security monitoring hardware, identity theft monitoring services, and credit monitoring services; ~~and~~

(30) costs paid to repair or replace campaign property that was: (i) lost or stolen, or (ii) damaged or defaced to such a degree that the property no longer serves its intended purpose. For purposes of this clause, campaign property includes but is not limited to campaign lawn signs. The candidate must document the need for these costs in writing or with photographs; and

(31) transition expenses and inaugural event expenses as defined in section 10A.174.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 10. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

~~(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;~~

~~(21) supervisor of a soil and water conservation district;~~

~~(22)~~ (20) director of Explore Minnesota Tourism;

~~(23)~~ (21) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

~~(24)~~ (22) citizen member of the Clean Water Council established in section 114D.30;

~~(25)~~ (23) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

~~(26)~~ (24) district court judge, appeals court judge, or supreme court justice;

~~(27) county commissioner;~~

~~(28)~~ (25) member of the Greater Minnesota Regional Parks and Trails Commission;

~~(29)~~ (26) member of the Destination Medical Center Corporation established in section 469.41; or

~~(30)~~ (27) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 11. Minnesota Statutes 2024, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest in the report with enough information to show the particular issue of importance to the entity represented.

(c) A lobbyist must report every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor of statutes rule draft number assigned to the administrative rulemaking.

(d) A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

(e) A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

(f) A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

(g) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to $5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

(h) A lobbyist must report each original source of money in excess of $500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of $500.

(i) On each report, a lobbyist must disclose the general lobbying categories that were lobbied on in the reporting period.

(j) A lobbyist must report each expert witness that the lobbyist requested to communicate with public or local officials as described in section 10A.01, subdivision 21, paragraph (b), clause (8). The lobbyist must report the name of the expert witness; the employer, if any, of the expert witness; the government entity that received the communication from the expert witness; and the specific subject on which the expert witness communicated. The designated lobbyist must also report this information if the expert witness is requested to communicate by the principal or association that the lobbyist represents.

Sec. 12. **[10A.066] HANDBOOK FOR LOBBYING.**

(a) The board must publish on the board's website a handbook for lobbying written in plain language. At a minimum, the handbook must clearly explain:

(1) lobbyist registration requirements, including:

(i) an explanation of when a person is required to register as a lobbyist and what specific types of activities count toward reaching the dollar amount thresholds in section 10A.01, subdivision 21; and

(ii) how registration requirements apply if a person is employed by a government entity;

(2) which activities and expenses do not count toward the dollar amount thresholds in section 10A.01, subdivision 21, but are required to be reported as lobbying disbursements on a principal's report; and

(3) any differences between lobbying the legislature, the executive branch, a political subdivision, and the Public Utilities Commission.

(b) The board must regularly update the handbook to reflect changes to statutes and rules. In developing and updating the handbook, the board must consult individuals who are registered lobbyists but who are not full-time professional lobbyists, including lobbyists for nonprofit organizations, small organizations, and organizations led by individuals who are Black, Indigenous, and people of color.

EFFECTIVE DATE. This section is effective the day following final enactment, except that the board is not required to publish the handbook until January 15, 2026.

Sec. 13. Minnesota Statutes 2024, section 10A.07, subdivision 1, is amended to read:

Subdivision 1. **Disclosure of potential conflicts.** (a) A public official or a local official elected to or appointed by a metropolitan governmental unit or by a political subdivision who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, must take the following actions:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;

(2) deliver copies of the statement to the official's immediate superior, if any; and

(3) if a member of the legislature ~~or of the~~, a governing body of a metropolitan governmental unit, or a political subdivision, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official must orally inform the superior or the official body of service or committee of the body of the potential conflict.

(b) For purposes of this section, "financial interest" means any ownership or control in an asset that has the potential to produce a monetary return.

Sec. 14. Minnesota Statutes 2024, section 10A.07, subdivision 2, is amended to read:

Subd. 2. **Required actions.** (a) If the official is not a member of the legislature or of the governing body of a metropolitan governmental unit or by a political subdivision, the superior must assign the matter, if possible, to another employee who does not have a potential conflict of interest.

(b) If there is no immediate superior, the official must abstain, if possible, by assigning the matter to a subordinate for disposition or requesting the appointing authority to designate another to determine the matter. The official shall not chair a meeting, participate in any vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest.

(c) If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question.

(d) If an official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board and a local official must file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Sec. 15. Minnesota Statutes 2024, section 10A.08, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required.** (a) A public official or elected local official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the public official's initial appearance at a hearing. If the public official fails to disclose the participation by the date that the disclosure was due, the board may impose a late filing fee of $25 per day, not to exceed $1,000, starting on the day after the disclosure was due. The board must send notice by certified mail to a public official who fails to disclose the participation within ten business days after the disclosure was due that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

(b) A public official or elected local official required to disclose representation under this section shall provide the following information: name, address, and office held; name and address of each client represented at the hearing; the name of the individual, board, commission, or agency conducting the hearing and the date and location of the initial appearance at the hearing; and a general description of the subject or subjects on which the public official represented the client in the hearing.

Sec. 16. Minnesota Statutes 2024, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. **Time for filing.** An individual must file a statement of economic interest:

(1) within 60 days of ~~accepting employment as a public official or a local official in a metropolitan governmental unit~~ undertaking the duties of office or accepting employment as a public official or as a local official in a political subdivision or metropolitan governmental unit;

(2) within 60 days of accepting employment by a charter school in a position in which the person has authority to make or recommend major decisions regarding the expenditure or investment of public money;

(3) within 60 days of assuming office as a district court judge, appeals court judge, supreme court justice, ~~or county commissioner~~or member of a watershed management organization as defined in section 103B.205, subdivision 13;

~~(3)~~ (4) within 14 days after ~~filing~~ the end of the filing period for a candidate who filed an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office ~~in a metropolitan governmental unit other than county commissioner~~;

(5) in the case of an individual running for a charter school board, at least 14 days before the election;

(6) in the case of an initial member of a charter school board, within 14 days of taking office;

~~(4)~~ (7) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

~~(5)~~ (8) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Sec. 17. Minnesota Statutes 2024, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5b, the individual filing must provide the following information:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000. A listing under this clause or clause (3) must indicate the

street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual or the individual's spouse receives more than $250 in any month during the reporting period as an employee, if the individual or the individual's spouse has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual or the individual's spouse received compensation of more than $2,500 in the past 12 months as an independent contractor;

(8) a listing of the full name of each security with a value of more than $10,000 owned in part or in full by the individual or the individual's spouse, at any time during the reporting period; ~~and~~

(9) for each stock or stock option reported under clause (8), a listing of the date or dates and value as provided in paragraph (h) of each purchase or sale of stock or exercise, sale, or transaction involving the stock option in that entity during the reporting period, regardless of the value of the transaction;

(10) a listing of the full name of each virtual currency with a value of more than $10,000 owned in part or in full by the individual or the individual's spouse at any time during the reporting period;

(11) for each virtual currency reported under clause (10), a listing of the date or dates and value as provided in paragraph (h) of each purchase or sale of that virtual currency during the reporting period, regardless of the value of the purchase or sale; and

(12) a listing of any contract, professional license, lease, or franchise that:

(i) is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

(d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

(e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

(f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

(g) The listings required in paragraph (a), clauses (3) to ~~(9)~~ (12), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

(h) For the purposes of paragraph (a), clauses (9) and (11), the statement must allow the filer to select one of the following ranges for each reported purchase, sale, exercise, or transaction:

(1) $1 to $10,000;

(2) $10,001 to $50,000;

(3) $50,001 to $100,000;

(4) $100,001 to $250,000;

(5) $250,001 to $500,000;

(6) $500,001 to $1,000,000;

(7) $1,000,001 to $5,000,000;

(8) $5,000,001 to $25,000,000;

(9) $25,000,001 to $50,000,000; and

(10) over $50,000,000.

Sec. 18. Minnesota Statutes 2024, section 10A.09, subdivision 5a, is amended to read:

Subd. 5a. **Original statement; reporting period.** ~~(a)~~ An original statement of economic interest required under subdivision 1, clause ~~(1), must cover the calendar month before the month in which the individual accepted employment as a public official or a local official in a metropolitan governmental unit.~~ (4), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy. An original statement of economic interest required under subdivision 1, clause (5), must cover the month before the month in which the candidates' names are provided to eligible voters in accordance with section 124E.07, subdivision 5, paragraph (d). In all other cases an original statement of economic interest must cover the calendar month before the month in which the individual assumed the duties of office or accepted the position that required the filing of the statement.

~~(b) An original statement of economic interest required under subdivision 1, clauses (2), (4), and (5), must cover the calendar month before the month in which the individual assumed or undertook the duties of office.~~

~~(c) An original statement of economic interest required under subdivision 1, clause (3), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy.~~

Sec. 19. Minnesota Statutes 2024, section 10A.09, subdivision 6a, is amended to read:

Subd. 6a. **Place of filing.** A public official required to file a statement under this section must file it with the board. A county commissioner, soil and water conservation district supervisor, manager of a watershed district, or member of a watershed management organization as defined in section 103B.205, subdivision 13, must file the statement with the board. A local candidate or local official required to file a statement under this section must file it with the governing body of the official's political subdivision. The governing body must maintain statements filed with it under this subdivision as public data. If an official position is defined as both a public official and as a local official ~~of a metropolitan governmental unit~~ under this chapter, the official must file the statement with the board.

Sec. 20. **[10A.174] INAUGURAL EVENT AND TRANSITION EXPENSES.**

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

(b) "Inaugural event expenses" means expenses incurred for any event related to the individual's inauguration held between the date of the general election at which an individual is elected to a statewide office and January 31 of the year in which the officeholder takes office. In the event that an individual fills a vacancy in a constitutional office, "inaugural event expenses" means expenses incurred for any event related to the individual's inauguration between the time that it was confirmed that the individual would assume the constitutional office and the date four weeks after the individual is sworn into office.

(c) "Transition expenses" means expenses incurred in preparing for the assumption of official duties as governor, lieutenant governor, secretary of state, state auditor, or attorney general. Expenses include but are not limited to establishment of a transition office, the dissolution of the office, office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Transition expenses do not include expenses that are incurred after the officeholder takes office.

Subd. 2. **Inaugural event and transition expenses; contributions.** A candidate or a candidate's principal campaign committee must not solicit or accept any contributions for or make any expenditure for inaugural event expenses or transition expenses except through the candidate's principal campaign committee or as otherwise prescribed by law.

Sec. 21. Minnesota Statutes 2024, section 10A.175, is amended by adding a subdivision to read:

Subd. 5a. **Disbursement.** "Disbursement" means a purchase or payment subject to this chapter made by any person.

Sec. 22. Minnesota Statutes 2024, section 10A.176, is amended to read:

10A.176 COORDINATED EXPENDITURES.

Subdivision 1. **Definition; scope.** ~~An expenditure described in this section that expressly advocates for the election of the candidate or the defeat of the candidate's opponent is a coordinated expenditure and is not independent under section 10A.01, subdivision 18.~~ A disbursement is a coordinated expenditure and is not independent under section 10A.01, subdivision 18, where it:

(1) satisfies at least one of the content standards in subdivision 1a; and

(2) satisfies at least one of the conduct standards in subdivisions 2 to 8.

Subd. 1a. **Content standards.** A disbursement for any of the content outlined in this subdivision satisfies the content standard of this section if it is:

(1) a communication that expressly advocates for the election or defeat of the candidate, as defined under section 10A.01, subdivision 16a;

(2) a communication that promotes, supports, attacks, or opposes the nomination, election, or defeat of the clearly identified candidate; or

(3) an electioneering communication, as defined under section 10A.201.

Subd. 2. **Conduct standard; fundraising.** (a) ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made on or after January 1 of the year the office will appear on the ballot by a spender for which the candidate, on or after January 1 of the year the office will appear on the ballot, has engaged in fundraising of money that is not general treasury money, as defined in section 10A.01, subdivision 17c, of the spender.

(b) For purposes of this subdivision, candidate fundraising includes:

(1) soliciting or collecting money for or to the spender that is not general treasury money; and

(2) appearing for the spender as a speaker at an event raising money that is not general treasury money.

(c) This subdivision does not apply to a candidate's fundraising on behalf of a party unit.

Subd. 3. **Conduct standard; relationship with spender.** ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made on or after January 1 of the year the office will appear on the ballot by a spender that:

(1) is not a party unit; and

(2) is an association, political committee, political fund, independent expenditure political committee, or independent expenditure political fund, in which the candidate was a chairperson,

deputy chairperson, treasurer, or deputy treasurer on or after January 1 of the year the office will appear on the ballot.

Subd. 4. **Conduct standard; consulting services.** (a) ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made during an election segment for consulting services from a consultant who has also provided consulting services to the candidate or the candidate's opponent during that same election segment.

(b) This subdivision does not apply when the following conditions are met:

(1) the consultant assigns separate personnel to the spender and the candidate;

(2) the consultant has a written policy that describes the measures that the consultant has taken to prohibit the flow of information between the personnel providing services to the spender and the personnel providing services to the candidate;

(3) the written policy has been distributed to all personnel and clients covered by the policy, including the candidate and the spender;

(4) the consultant has implemented the measures described in the written policy; and

(5) no information has been shared between the spender and the personnel that provided services to the spender and the candidate and the personnel providing services to the candidate.

Subd. 5. **Conduct standard; receiving information not publicly available.** ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made after the spender receives from the candidate information that is not publicly available regarding the candidate's campaign plans, strategy, or needs.

Subd. 6. **Conduct standard; spender-provided information.** ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made when:

(1) the spender provides information to the candidate regarding the ~~expenditure's~~ disbursement's contents, intended audience, timing, location or mode, volume, or frequency; and

(2) the information is provided to the candidate before the ~~expenditure~~ disbursement is communicated to the public.

Subd. 7. **Conduct standard; candidate's participation.** ~~An expenditure is a coordinated expenditure~~ A disbursement satisfies the conduct standard of this section if the ~~expenditure~~ disbursement is made with the candidate's participation in the following:

(1) any of the processes required for the creation and development of the ~~expenditure~~ disbursement, including budgeting decisions, media design, acquisition of graphics and text, production, and distribution of the final product; or

(2) any decision regarding the content, timing, location, intended audience, volume of distribution, or frequency of the ~~expenditure~~ disbursement.

Subd. 8. **Conduct standard; instructions or directions from candidate.** A disbursement satisfies the conduct standard of this section if the disbursement is materially consistent with instructions or directions from a candidate regarding the making of disbursements, regardless of whether the instructions or directions are publicly available. The factors the board must consider in determining whether a disbursement is consistent with instructions or directions from a candidate under this clause include but are not limited to:

(1) noticeable placement of instructions or directions on a discrete webpage or portion of a webpage containing one or more other factors identified in this paragraph;

(2) whether the instructions or directions include language indicating that information should be communicated to others or indicates information is intended for voters, including but not limited to the phrase "voters need to know";

(3) whether the instructions or directions include targeted audience information, such as specific demographics or the location of intended or suggested recipients;

(4) whether the instructions or directions include suggested methods of communication, including indications that recipients need to hear, see, see on the go, or receive information in other similar manners; and

(5) whether there are additional documents linked to the instructions or directions to provide verification that the recommended messaging would be effective.

Sec. 23. Minnesota Statutes 2024, section 10A.177, is amended to read:

10A.177 NONCOORDINATED ~~EXPENDITURES~~ DISBURSEMENTS.

(a) Any of the following actions, taken alone, do not establish that ~~an expenditure~~ a disbursement made by the spender is coordinated with the candidate:

(1) a candidate asks a spender not to make any expenditure to support the candidate or oppose the candidate's opponent or any disbursement for an electioneering communication that references the candidate or the candidate's opponent;

(2) a candidate provides to a spender names of potential donors, as long as the spender does not state or suggest to the candidate that funds received from use of the donor list will be used for independent expenditures to benefit the candidate;

(3) ~~an expenditure~~ a disbursement uses a photograph, video, or audio recording obtained from a publicly available source or public event;

(4) ~~an expenditure~~ a disbursement uses information obtained from a biography, position paper, press release, or similar material about the candidate from a publicly available source or public event;

(5) the spender contributes to the candidate, makes an in-kind donation to the candidate, or endorses the candidate;

(6) ~~an expenditure~~ a disbursement includes a hyperlink to the candidate's website or social media page;

(7) ~~an expenditure~~ a disbursement appears in a news story, commentary, or editorial distributed ~~through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication~~ by any broadcasting station, including a cable or streaming television operator, programmer, or producer; website; newspaper; magazine; or other periodical publication, including any Internet or electronic publication. If the facility is owned or controlled by any political party, political committee, or candidate, the news story must:

(i) represent a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility; and

(ii) be part of a general pattern of campaign-related news accounts that give reasonably equal coverage to all opposing candidates in the circulation or listening area;

(8) the spender discusses the candidate's position on a legislative or policy matter with the candidate. This clause includes the sending, completion, and return of a survey conducted by the spender to determine whether to endorse the candidate; or

(9) the spender invites the candidate to appear before the spender's members, employees, or shareholders, including the candidate's participation in the event, unless the event promotes the election of the candidate or the defeat of the candidate's opponent, or the candidate requests or accepts campaign contributions at the event.

(b) Paragraph (a), clause (4), does not apply to publicly available instructions or directions from a candidate regarding the making of expenditures under section 10A.176, subdivision 8.

Sec. 24. Minnesota Statutes 2024, section 10A.20, is amended by adding a subdivision to read:

Subd. 5a. **Report on personal contributions.** A candidate for constitutional or legislative office that makes a contribution or loan to the candidate's principal campaign committee that, in aggregate, exceeds the amount permitted by section 10A.27, subdivision 10, must report the contribution or loan to the board by the next business day. A candidate must file a new report each time that the reporting threshold is exceeded during an election cycle segment.

Sec. 25. Minnesota Statutes 2024, section 10A.201, subdivision 6, is amended to read:

Subd. 6. **Electioneering communication.** (a) "Electioneering communication" means any broadcast, cable, satellite, telephone, or digital communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed ~~within 60 days before a general election for the office sought by the candidate, within 30 days before a~~ after the start of the absentee voting period prior to the state or special primary election ~~for the office sought by the candidate~~ when the office sought will be on the general or special election ballot through the date of the general or special election for that office, or within 30 days before a convention of a political party unit that has authority to endorse a candidate for the office sought by the candidate; and

(3) is targeted to the relevant electorate.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, satellite television, or radio station, by telephone, in a digital format online, or by other electronic means;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132 (a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum;

(5) is paid for by a candidate;

(6) is a noncommercial solicitation for the purposes of opinion research, including but not limited to opinion research designed for understanding the impact of exposure to political messages and content, provided that the solicitation is not designed to influence respondents' views by presenting biased or manipulative content under the guise of it being an opinion poll, survey, or other form of scientific data collection; or

(7) is a communication disseminated by telephone, in a digital format online, or by other electronic means that the recipient has affirmatively and voluntarily consented to receive from the sender.

Sec. 26. Minnesota Statutes 2024, section 10A.202, subdivision 4, is amended to read:

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer ~~in the same manner as required for campaign material under~~ as required by section 211B.04, subdivision ~~1, paragraph (c)~~ 2a.

Sec. 27. Minnesota Statutes 2024, section 10A.36, is amended to read:

10A.36 REPRISALS PROHIBITED; PENALTY.

(a) An employer, individual, or association must not engage in economic reprisals or threaten loss of employment or physical coercion against an individual or association because of that individual's or association's:

(1) political contributions or political activity including for becoming a candidate or local candidate for elected public office, unless precluded by other law; or

(2) refusal to communicate with public or local officials to influence a decision about a legislative or administrative action or the official action of a political subdivision.

(b) This ~~subdivision~~ section does not apply to compensation for employment ~~or~~, loss of employment ~~if~~, or economic reprisals:

(1) if the political affiliation or viewpoint of the employee is a bona fide occupational qualification of the employment; or

(2) for communications described in paragraph (a), clause (2), if the individual's responsibilities, through employment or contract, include communicating with public or local officials.

(c) An individual or association injured by a violation of this section may bring a civil action in district court for damages, injunctive relief, costs and reasonable attorney fees, and any other relief the court deems just and equitable, including reinstatement of employment.

(d) An employer, individual, or association that violates this section is guilty of a gross misdemeanor. The board may refer a violation of this section to the appropriate county attorney.

(e) For purposes of this section, "employer" means a person or entity that employs one or more employees and includes an individual, corporation, partnership, association, business, trust, nonprofit organization, group of persons, legislature, judicial branch, state, county, town, city, school district, or other governmental subdivision.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date and to causes of action accruing on or after that date.

Sec. 28. **[10A.52] MAJOR DECISION OF NONELECTED LOCAL OFFICIALS.**

Subdivision 1. **Major decision regarding the expenditure of public money.** (a) Attempting to influence a nonelected local official is lobbying if the nonelected local official may make, recommend, or vote on as a member of the political subdivision's governing body, a major decision regarding an expenditure or investment of public money.

(b) The mere act of submitting an application for a grant or responding to a request for proposals is not lobbying. Communications of a purely administerial or technical nature regarding the submission of a grant application or response to requests for proposals are not lobbying.

Subd. 2. **Actions that are a major decision regarding public funds.** A major decision regarding the expenditure or investment of public money includes but is not limited to a decision on:

(1) the development and ratification of operating and capital budgets of a political subdivision, including development of the budget request for an office or department within the political subdivision;

(2) whether to apply for or accept state, federal, or private grant funding;

(3) selecting recipients for government grants from the political subdivision; or

(4) tax abatement, tax increment financing, or expenditures on public infrastructure used to support private housing or business developments.

Subd. 3. **Actions that are not a major decision.** A major decision regarding the expenditure of public money does not include:

(1) the purchase of goods or services with public funds in the operating or capital budget of a political subdivision;

(2) collective bargaining of a labor contract on behalf of a political subdivision; or

(3) participating in discussions with a party or a party's representative regarding litigation between the party and the political subdivision of the local official.

Sec. 29. Minnesota Statutes 2024, section 124E.03, is amended by adding a subdivision to read:

Subd. 11. **Statement of economic interest.** Members of charter school boards and persons employed as charter school directors and chief administrators are subject to the requirements of section 10A.09.

Sec. 30. Minnesota Statutes 2024, section 211A.02, subdivision 1, is amended to read:

Subdivision 1. **When and where filed by committees or candidates.** (a) A committee or a candidate who receives contributions or makes disbursements of more than $750 in a calendar year shall submit an initial report to the filing officer within 14 days after the candidate or committee receives or makes disbursements of more than $750 and must continue to make the reports required by this subdivision until a final report is filed.

(b) In a year in which ~~a candidate receives contributions or makes disbursements of more than $750 or~~ the candidate's name appears on the ballot, the candidate must file a report:

(1) ten days before the primary or special primary if a primary is held in the jurisdiction, regardless of whether the candidate is on the primary ballot. If a primary is not conducted, the report is due ten days before the primary date specified in section 205.065;

(2) ten days before the general election or special election; and

(3) 30 days after a general or special election.

~~The reporting obligations in this paragraph begin with the first report due after the reporting period in which the candidate reaches the spending threshold specified in paragraph (a).~~ A candidate who did not file for office is not required to file reports required by this paragraph that are due after the end of the filing period. A candidate whose name will not be on the general election ballot is not required to file the reports required by clauses (2) and (3).

(c) Until a final report is filed, a candidate must file a report by January 31 of each year. Notwithstanding subdivision 2, clause (4), the report required by this subdivision must only include the information from the previous calendar year.

Sec. 31. Minnesota Statutes 2024, section 211A.02, subdivision 2, is amended to read:

Subd. 2. **Information required.** The report to be filed by a candidate or committee must include:

(1) the name of the candidate and office sought;

(2) the printed name, address, telephone number, signature, and email address~~, if available,~~ of the person responsible for filing the report. If the person responsible for filing the report does not have an email address, the person must include an attestation to that effect;

(3) the total cash on hand designated to be used for political purposes;

(4) the total amount of contributions received and the total amount of disbursements for the period from the last previous report to five days before the current report is due;

(5) if disbursements made to the same vendor exceed $100 in the aggregate during the period covered by the report, the name and address for the vendor and the amount, date, and purpose for each disbursement; and

(6) the name, address, and employer, or occupation if self-employed, of any individual or entity that during the period covered by the report has made one or more contributions that in the aggregate exceed $100, and the amount and date of each contribution. The filing officer must restrict public access to the address of any individual who has made a contribution that exceeds $100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.

Sec. 32. Minnesota Statutes 2024, section 211B.04, subdivision 1, is amended to read:

Subdivision 1. **Campaign material.** (a) A person who participates in the preparation or dissemination of campaign material ~~other than as provided in section 211B.05, subdivision 1,~~ that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "~~Prepared and~~ Paid for by the ..... committee, ... (address)" for material prepared and paid for by a principal campaign committee, or "~~Prepared and~~ Paid for by the ..... committee, ... (address)" for material prepared and paid for by a person or committee other than a principal campaign committee. The address must be either the committee's mailing address or the committee's website, if the website includes the committee's mailing address. If the material is produced and disseminated without cost, the words ~~"paid for" may be omitted from~~ "Prepared by" may be used in place of "Paid for by" in the disclaimer. Except as required by paragraph (c), in the case of a candidate's or committee's website or social media page, the requirements of this subdivision are satisfied for the entire website or social media page when the disclaimer appears once on the website or social media home page.

(c) In the case of ~~broadcast~~ audio or video media, including audio or video media posted on a candidate or principal campaign committee's website, the required form of disclaimer is: "Paid for by the ..... committee." If the material is produced and broadcast without cost, the required form of the disclaimer is: "The ..... committee is responsible for the content of this message."

Sec. 33. Minnesota Statutes 2024, section 211B.04, subdivision 2, is amended to read:

Subd. 2. **Independent expenditures.** (a) ~~The required form of the disclaimer on a written~~ Except in cases covered by paragraph (b), the required form of disclaimer for an independent expenditure is: "This is an independent expenditure prepared and paid for by ..... (name of entity participating in the expenditure), ... (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." The address must be either the entity's mailing address or the entity's website, if the website includes the entity's mailing address. When a written independent expenditure is produced and disseminated without cost, the words "and paid for" may be omitted from the disclaimer.

(b) The required form of the disclaimer on ~~a broadcast~~ an audio or video media independent expenditure is: "This independent expenditure is paid for by ..... (name of entity participating in the expenditure). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." When ~~a broadcast~~ an audio or video media independent expenditure is produced and disseminated without cost, the following disclaimer may be used: "..... (name of entity participating in the expenditure) is responsible for the contents of this independent expenditure. It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

Sec. 34. Minnesota Statutes 2024, section 211B.04, is amended by adding a subdivision to read:

Subd. 2a. **Electioneering communication.** (a) Except in cases covered by paragraph (b), the required form of disclaimer for an electioneering communication is: "Paid for by ..... (name of entity participating in the communication), ... (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." The address must be either the entity's mailing address or the entity's website, if the website includes the entity's mailing address. When an electioneering communication is produced and disseminated without cost, the words "Prepared by" may be used in place of "Paid for by" in the disclaimer.

(b) The required form of the disclaimer on an audio or video media electioneering communication is: " paid for by ..... (name of entity participating in the communication). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." When an audio or video media electioneering communication is produced and disseminated without cost, the following disclaimer may be used: "..... (name of entity participating in the expenditure) is responsible for the contents of this communication. It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

Sec. 35. Minnesota Statutes 2024, section 211B.04, subdivision 3, is amended to read:

Subd. 3. **Material that does not need a disclaimer.** (a) This section does not apply to fundraising tickets, business cards, personal letters, or similar items that are clearly being distributed by the candidate.

(b) This section does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.

(c) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; and

(3) ~~online banner ads and similar~~ electronic communications ~~that~~ for which it would be technologically infeasible. In this case, the communication must state the name of the person who paid for, or in the case of a communication that is produced and disseminated without cost, who is responsible for the communication and link directly to an online page that includes only the disclaimer. The person who paid for or is responsible for the communication must, at the request of the Campaign Finance and Public Disclosure Board or the Office of Administrative Hearings, demonstrate why it was technologically infeasible to include a disclaimer in the form required by subdivision 1, 2, or 2a.

~~(d) This section does not modify or repeal section 211B.06.~~

Sec. 36. Minnesota Statutes 2024, section 211B.04, subdivision 5, is amended to read:

Subd. 5. **Font size.** ~~For written communications other than an outdoor sign, website, or social media page,~~ (a) Except as provided in paragraphs (b) and (c), the disclaimer must be printed in 8-point font or larger with sufficient color contrast to be reasonably legible.

(b) For an outdoor sign, the font of the disclaimer must be a height of at least five percent of the vertical height of the sign with sufficient color contrast to be reasonably legible.

(c) For websites and social media, the font of the disclaimer must be displayed large enough and with sufficient color contrast to be reasonably legible.

EFFECTIVE DATE; APPLICATION. Paragraph (b) applies to outdoor signs printed on or after January 1, 2026.

Sec. 37. **[211B.065] MISREPRESENTATION OF CAMPAIGN AUTHORITY.**

Subdivision 1. **Misrepresentation prohibited.** (a) A person must not:

(1) misrepresent the person or any committee or organization as speaking or writing or otherwise acting for or on behalf of any real, potential, spurious, or nonexistent candidate, political party, committee, fund, or organization with the intent to defraud; or

(2) willfully and knowingly participate in or conspire to participate in any plan, scheme, or design to violate clause (1).

(b) A person must not:

(1) misrepresent the person as speaking, writing, or otherwise acting for or on behalf of any real, potential, spurious, or nonexistent candidate, political party, committee, fund, or organization or employee or agent of any such candidate, political party, or political committee or organization when soliciting money or any other thing of value with the intent to defraud; or

(2) willfully and knowingly participate in or conspire to participate in any plan, scheme, or design to violate clause (1).

Subd. 2. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general, a county attorney, or a party injured by a violation of subdivision 1 may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an injured party under section 8.31, subdivision 3a, benefits the public. In addition to all other damages, the court may impose a civil penalty of up to $1,000 for each violation.

(c) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date and causes of action accruing on or after that date.

Sec. 38. **[211B.066] DISTRIBUTION OF ABSENTEE BALLOT APPLICATIONS AND SAMPLE BALLOTS.**

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

(b) "Person or entity" means any individual, committee, or association as defined in section 10A.01, subdivision 6.

(c) "Sample ballot" means a document that is formatted and printed in a manner that so closely resembles an official ballot that it could lead a reasonable person to believe the document is an official ballot. A document that contains the names of particular candidates or ballot questions alongside illustrations of a generic ballot or common ballot markings is not a sample ballot as long as the document does not closely resemble an official ballot and would not lead a reasonable person to believe the document is an official ballot.

Subd. 2. **Requirements.** (a) Except as otherwise provided in this paragraph, any person or entity that mails an absentee ballot application or sample ballot to anyone in the state must comply with this section. This section does not apply to a unit of government or employee of that unit of government when discharging official election duties.

(b) The person or entity mailing the absentee ballot application or sample ballot must include the following statement: "This mailing is not an official election communication from a unit of government. This [absentee ballot application or sample ballot] has not been included at the request of a government official." If a sample ballot is enclosed, the statement must also include the following: "This is a sample ballot, not an official ballot. You cannot cast the enclosed sample ballot."

(c) The statement required in paragraph (b) must be printed in a typeface and format designed to be clearly visible at the time the mailing is opened. The person or entity sending the sample ballot

or absentee ballot application must include the person or entity's name and street address in the return address position on the mailing envelope.

(d) If an absentee ballot application is included, the application fields must be blank and must not include the voter's name, address, or any other required information. Notwithstanding this subdivision, the county auditor or municipal clerk must not reject an absentee ballot application solely because of the inclusion of printed information on the application.

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

Sec. 39. Minnesota Statutes 2024, section 211B.13, is amended to read:

211B.13 BRIBERY, TREATING, AND SOLICITATION.

Subdivision 1. **Bribery, advancing money, and treating prohibited.** (a) A person ~~who~~ is guilty of a felony if the person willfully, directly or indirectly, advances, pays, gives, promises, provides a chance to win, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce:

(1) a voter to vote, to refrain from voting, or to vote in a particular way, at an election~~, is guilty of a felony~~;

(2) an individual to register to vote; or

(3) a registered or eligible voter to sign a petition that is directly related to an election during the period beginning on the first day of the absentee voting period for that election and ending on election day.

(b) This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. ~~Refreshments of~~ Food ~~or~~, nonalcoholic beverages, or items having a value up to $5 are not prohibited under this section if consumed on the premises at a private gathering or public meeting ~~are not prohibited under this section~~ or if offered on equal terms to individuals without regard to whether the recipient takes a specified action.

Subd. 2. **Certain solicitations prohibited.** A person may not knowingly solicit, receive, or accept any money, property, or other thing of monetary value, or a promise ~~or~~, pledge, or opportunity to win any of these that is a disbursement prohibited by this section or section 211B.15.

Subd. 3. **Civil enforcement.** In addition to other remedies, the attorney general or county attorney may enforce this section pursuant to section 8.31.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 40. Minnesota Statutes 2024, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The

complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of sections 211B.065, 211B.075, and 211B.076 may be enforced as provided in those sections.

Sec. 41. Minnesota Statutes 2024, section 211B.32, subdivision 4, is amended to read:

Subd. 4. **Proof of claim.** The burden of proving the allegations in the complaint is on the complainant. ~~The standard of proof of a violation of section 211B.06, relating to false statements in paid political advertising or campaign material, is clear and convincing evidence.~~ The standard of proof of ~~any other~~ a violation of chapter 211A or 211B is a preponderance of the evidence.

Sec. 42. Minnesota Statutes 2024, section 211B.35, subdivision 2, is amended to read:

Subd. 2. **Disposition of complaint.** The panel must determine whether the violation alleged in the complaint occurred and must make at least one of the following dispositions:

(a) The panel may dismiss the complaint.

(b) The panel may issue a reprimand.

(c) ~~The panel may find that a statement made in a paid advertisement or campaign material violated section 211B.06.~~

~~(d)~~ The panel may impose a civil penalty of up to $5,000 for any violation of chapter 211A or 211B.

~~(e)~~ (d) The panel may refer the complaint to the appropriate county attorney.

Sec. 43. Minnesota Statutes 2024, section 383B.041, subdivision 5, is amended to read:

Subd. 5. **Economic interest disclosure; Special School District No. 1.** Every candidate for school board in Special School District No. 1, Minneapolis, must file an original statement of economic interest with the school district within 14 days of ~~the filing of an affidavit or petition to appear on the ballot~~ the end of the candidate filing period. An elected official in Special School District No. 1, Minneapolis, must file the annual statement required in section 10A.09, subdivision 6, with the school district for every year that the individual serves in office. An original and annual statement must contain the information listed in section 10A.09, subdivision 5. The provisions of section 10A.09, subdivisions 6a, 7, and 9, apply to statements required under this subdivision.

Sec. 44. **CAMPAIGN SPENDING LIMITS STUDY.**

The Campaign Finance and Public Disclosure Board must study the voluntary campaign spending limits as provided in this section. By January 15, 2026, the board must report to the chairs and

ranking minority members of the legislative committees with jurisdiction over the board with its findings and recommendations. At a minimum, the board must study and report on:

(1) the number of candidates that participate in the public subsidy program, broken down by office;

(2) the number of candidates that do not participate in the public subsidy program, broken down by office;

(3) historic trend data for the past ten years for the information in clauses (1) and (2);

(4) for candidates that do not participate in the public subsidy program, how much the candidate and the candidate's opponent spent and how much is spent on independent expenditures in the race;

(5) how other states set voluntary campaign spending limits, including:

(i) if other states distinguish between highly contested races and other races in the amount of funding provided or spending allowed;

(ii) if other states have an automatic inflator on the subsidies and limits; and

(iii) the level of candidate participation over time in the programs; and

(6) any recommendations the board has regarding the current public subsidy program in Minnesota and whether the current spending limits are appropriate.

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

Sec. 45. **RULEMAKING.**

The Campaign Finance and Public Disclosure Board must amend Minnesota Rules, part 4503.0900, to conform to the requirements of Minnesota Statutes, section 10A.174, regarding transition expenses. The board may use the good cause exemption under Minnesota Statutes, section 14.388, for purposes of this section.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2024, sections 211B.04, subdivision 4; 211B.06; and 211B.08, are repealed.

(b) Minnesota Rules, part 4503.2000, subpart 2, is repealed.

(c) Minnesota Rules, part 4511.1100, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment.

Sec. 47. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective January 1, 2026.

ARTICLE 3

ELECTION POLICY

Section 1. Minnesota Statutes 2024, section 201.054, subdivision 1, is amended to read:

Subdivision 1. **Registration.** (a) An individual may register to vote or update a voter registration:

(1) at any time before the 20th day preceding any election as provided in section 201.061, subdivision 1;

(2) on the day of an election as provided in section 201.061, subdivision 3; or

(3) when submitting an absentee ballot, by enclosing a completed registration application as provided in section 203B.04, subdivision 4.

(b) An individual who is under the age of 18, but who is at least 16 years of age and otherwise eligible, may submit a voter registration application as provided in section 201.061, subdivisions 1 and 1b.

Sec. 2. Minnesota Statutes 2024, section 201.054, subdivision 2, is amended to read:

Subd. 2. **Prohibitions; penalty.** ~~No~~ An individual ~~shall~~ must not intentionally:

(1) cause or attempt to cause the individual's name to be registered in any precinct if the individual is not eligible to vote, except as permitted by section 201.061, subdivision 1b;

(2) cause or attempt to cause the individual's name to be registered for the purpose of voting in more than one precinct;

(3) misrepresent the individual's identity when attempting to register to vote or to update a registration; or

(4) aid, abet, counsel, or procure any other individual to violate this subdivision.

A violation of this subdivision is a felony.

Sec. 3. Minnesota Statutes 2024, section 201.056, is amended to read:

201.056 SIGNATURE OF REGISTERED VOTER; MARKS ALLOWED.

An individual who is unable to write the individual's name ~~shall be required to~~ must sign a registration application in the manner provided by section 645.44, subdivision 14. If the individual registers in person and signs by making a mark, the clerk or election judge accepting the registration ~~shall~~ or update must certify the mark by signing the individual's name. If the individual registers or updates a registration by mail and signs by making a mark, the mark ~~shall~~ must be certified by having a voter registered in the individual's precinct sign the individual's name and the voter's own name and give the voter's own address.

Sec. 4. Minnesota Statutes 2024, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** (a) At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register or update a registration to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1. A completed application may be submitted:

(1) in person or by mail to the county auditor of that county or to the Secretary of State's Office; or

(2) electronically through a secure website that ~~shall~~ must be maintained by the secretary of state for this purpose, if the applicant has an email address and provides the applicant's verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.

(b) A registration or update to a registration that is received in person or by mail no later than 5:00 p.m. on the 21st day preceding any election, or a registration or update to a registration received electronically through the secretary of state's secure website no later than 11:59 p.m. on the 21st day preceding any election, ~~shall~~ must be accepted. An improperly addressed or delivered registration application ~~shall~~ must be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten calendar days after the applications are dated by the voter.

(c) An application submitted electronically under paragraph (a), clause (2), may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable voter registration applications submitted electronically for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(d) An individual may not electronically submit a voter registration application on behalf of any other individual, except that the secretary of state may provide features on the secure website established under paragraph (a), clause (2), that allow third parties to connect application programming interfaces that facilitate an individual's submission of voter registration information while interacting with the third party.

(e) For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 5. Minnesota Statutes 2024, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register or update a registration on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering or updating a registration by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee who provides proof that they are employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

~~(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.~~

~~(c)~~ (b) "Residential facility" means transitional housing as defined in section 256K.48, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 10a; a shelter for battered women as defined in section 611A.37, subdivision 4; a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

~~(d)~~ (c) For tribal band members, an individual may prove residence for purposes of registering or updating a registration by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

~~(c)~~ (d) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

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

Sec. 6. Minnesota Statutes 2024, section 201.061, subdivision 3a, is amended to read:

Subd. 3a. **Additional proofs of residence permitted for students.** (a) If an eligible voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17 certified to the county auditor by the postsecondary educational institution, the voter may prove residence by presenting a current valid photo identification issued by a postsecondary educational institution in Minnesota; identification authorized in subdivision 3, paragraph (a), clause (1) or (2); or identification authorized in subdivision 3, paragraph ~~(d)~~ (c), clause (1) or (2).

(b) This additional proof of residence for students must not be allowed unless the postsecondary educational institution submits to the county auditor no later than 60 days prior to the election a written agreement that the postsecondary educational institution will certify for use at the election accurate updated residential housing lists under section 135A.17. A written agreement is effective for the election and all subsequent elections held in that calendar year, including the November general election.

(c) The additional proof of residence for students must be allowed on an equal basis for voters who reside in housing meeting the requirements of section 135A.17, if the residential housing lists certified by the postsecondary educational institution meet the requirements of this subdivision.

(d) An updated residential housing list must be certified to the county auditor no later than ~~20~~ 35 days prior to each election. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution and must state that the list is current and accurate and includes only the names of persons residing in the institution's housing and, for students who do not live in the institution's housing, that it reflects the institution's records as of the date of the certification.

(e) This additional proof of residence for students must be allowed during the 18 days before an election and on election day. The county auditor shall instruct the election judges ~~of the precinct~~ in procedures for use of the list in conjunction with photo identification. The auditor shall supply a list to the election judges with the election supplies ~~for the precinct~~.

(f) The county auditor shall notify all postsecondary educational institutions in the county of the provisions of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to elections held on or after February 6, 2026.

Sec. 7. Minnesota Statutes 2024, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration and updates to registrations at the polling place on election day ~~shall~~ must be conducted by the election judges. Before registering an individual to vote or updating an individual's registration at the polling place, the election judge must review any list of voters who registered or updated a registration with an absentee ~~election day registrants~~ ballot provided by the county auditor or municipal clerk to see if the ~~person~~ individual has already voted by absentee ballot. If the ~~person's~~ individual's name appears on the list, the election judge must not allow the individual to register, to update the individual's registration, or to vote in the polling place. The election judge who registers an individual or updates an individual's registration at the polling place on election day ~~shall~~ must not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration applications and forms for oaths ~~shall~~ must be available at each polling place. If an individual who registers or updates a registration on election day proves residence by oath of a registered voter, the form containing the oath ~~shall~~ must be attached to the individual's registration application. Registration applications completed on election day ~~shall~~ must be forwarded to the county auditor who ~~shall~~ must add the name of each voter to the registration system or update the voter's registration unless the information forwarded is substantially deficient. A county auditor who finds an election day registration or update substantially deficient ~~shall~~ must give written notice to the individual whose registration is found deficient. An election day registration ~~shall~~ or update must not be found deficient solely because the individual who provided proof of residence was ineligible to do so.

Sec. 8. Minnesota Statutes 2024, section 201.061, subdivision 5, is amended to read:

Subd. 5. **Unregistered voters; penalty.** No election judge in any precinct ~~in which registration is required~~ may receive the vote at any election of any individual whose name is not registered in a manner specified in section 201.054, subdivision 1 or not recorded under section 203B.19. A violation of this subdivision is a felony.

Sec. 9. Minnesota Statutes 2024, section 201.061, subdivision 7, is amended to read:

Subd. 7. **Record of attempted registrations.** The election judge responsible for election day registration ~~shall~~ must attempt to keep a record of the number of individuals who attempt to register or update a registration on election day but who cannot provide proof of residence as required by this section. The record ~~shall~~ must be forwarded to the county auditor with the election returns for that precinct.

Sec. 10. Minnesota Statutes 2024, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota

state identification, the last four digits of the voter's Social Security number; ~~a box to indicate a voter's preference to join the permanent absentee voter list;~~ and voter's signature. The paper registration application must provide a space for a voter to provide a physical description of the location of their residence, if the voter resides in an area lacking a specific physical address. The description must be sufficient for the county auditor to identify the correct precinct for the voter. The description may include the closest cross street or the nearest address to the described location that is identified on a precinct map, and directions from that cross street or address to the described location, including but not limited to the cardinal direction and approximate distance to the location. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) am at least 16 years old and understand that I must be at least 18 years old to be eligible to vote;

(2) am a citizen of the United States;

(3) will have maintained residence in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address or location given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) am not currently incarcerated for a conviction of a felony offense; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than $10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Are you at least 16 years old and will you be at least 18 years old on or before the day of the election in which you intend to vote?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to ~~change~~ update information on an existing registration.

EFFECTIVE DATE. This section is effective July 1, 2025, except that this section is effective January 1, 2026, for the secretary of state's online voter registration application.

Sec. 11. Minnesota Statutes 2024, section 201.071, subdivision 4, is amended to read:

Subd. 4. **Change of registration.** A county auditor who receives a registration application indicating that an individual was previously registered in a different county in Minnesota ~~shall~~ must update the voter's record electronically through the statewide registration system in the manner prescribed by the secretary of state. A county auditor who receives a registration application or notification requiring ~~a change~~ an update of registration records under this subdivision as a result of ~~an~~ a voter updating the voter's registration on election day ~~registration shall~~ must also check the statewide registration system to determine whether the individual voted in more than one precinct in the most recent election.

Sec. 12. Minnesota Statutes 2024, section 201.091, subdivision 5, is amended to read:

Subd. 5. **Copy of list to registered voter.** The county auditors and the secretary of state ~~shall~~ must provide copies of the public information lists in electronic or other media to any voter registered in Minnesota within ~~ten~~ five business days of receiving a complete written or electronic request accompanied by payment of the cost of reproduction. The county auditors and the secretary of state ~~shall~~ must make a copy of the list available for public inspection without cost. An individual who inspects or acquires a copy of a public information list ~~may~~ must not use any information contained in it for purposes unrelated to elections, political activities, or law enforcement.

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

Sec. 13. Minnesota Statutes 2024, section 201.091, subdivision 8, is amended to read:

Subd. 8. **Registration places.** (a) Each county auditor ~~shall~~ must designate a number of public buildings in those political subdivisions of the county where ~~preregistration of voters is allowed as provided in section 201.061, subdivision 1, where~~ eligible voters may register to vote or update the voter's registration as provided in section 201.061, subdivision 1.

(b) An adequate supply of registration applications and instructions must be maintained at each designated location, and a designated individual must be available there to accept registration applications and transmit them to the county auditor.

(c) A person who, because of disability, needs assistance ~~in order~~ to determine eligibility ~~or~~, to register ~~must~~, or to update a voter registration may be assisted by a designated individual. Assistance includes but is not limited to reading the registration form and instructions and filling out the registration form as directed by the eligible voter.

Sec. 14. Minnesota Statutes 2024, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071,

the county auditor ~~shall~~ must enter or update the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system within 42 days after the election, unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.

The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry ~~into~~ or update in the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered or updated information from a voter registration application ~~into~~ in the statewide registration system, the secretary of state ~~shall~~ must compare the voter's name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database.

(d) The secretary of state ~~shall~~ must provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state.

(e) The county auditor ~~shall~~ must compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor ~~shall~~ must send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "challenged." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to clear the challenge at least 21 days before the next election or at the polling place on election day.

Sec. 15. Minnesota Statutes 2024, section 201.121, subdivision 3, is amended to read:

Subd. 3. **Postelection sampling.** (a) Within ten days after an election, the county auditor ~~shall~~ must send the notice required by subdivision 2 to a random sampling of the individuals who registered or updated voter registration information on election day. The random sampling ~~shall~~ must be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, the county auditor ~~shall~~ must mail the notice required by subdivision 2 to all other individuals who registered or updated voter registration information on election day. If a notice is returned as

not deliverable, the county auditor ~~shall~~ must attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote ~~shall~~ must immediately notify the county attorney of all of the relevant information. By February 15 of each year, the county auditor must notify the secretary of state of the following information for each election held in the previous year by each precinct:

(1) the total number of all notices that were returned as nondeliverable;

(2) the total number of nondeliverable notices that the county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

(b) By March 1 of every year, the secretary of state ~~shall~~ must report to the chair and ranking minority members of the legislative committees with jurisdiction over elections the following information for each election held in the previous year by each precinct and each county:

(1) the total number of all notices that were returned as nondeliverable;

(2) the total number of nondeliverable notices that a county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

Sec. 16. Minnesota Statutes 2024, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** (a) At least once each month the secretary of state ~~shall~~ must obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. The secretary of state may also periodically obtain a list of individuals with driver's licenses or state identification cards to identify those who are registered to vote who have applied to the Department of Public Safety for a replacement driver's license or state identification card with a different address, and a list of individuals for whom the Department of Public Safety received notification of a driver's license or state identification card cancellation due to a change of residency out of state. However, the secretary of state ~~shall~~ must not load data derived from these lists into the statewide voter registration system within the 47 days before the state primary or 47 days before a November general election.

(b) If the address is changed to another address in this state, the secretary of state ~~shall~~ must locate the precinct in which the voter maintains residence, if possible. If the secretary of state is able to locate the precinct in which the voter maintains residence, the secretary must transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. For addresses for which the secretary of state is unable to determine the precinct, the secretary may forward information to the appropriate county auditors for individual review. If the voter has not voted or submitted a voter registration application since the address change, upon receipt of the information, the county auditor ~~shall~~ must update the voter's address in the statewide voter registration system. The county auditor ~~shall~~ must mail to the voter a notice stating the voter's name, address, precinct, and polling place, unless the voter's record is challenged

due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, in which case the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been ~~changed~~ updated and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(c) If the change of permanent address is to an address outside this state, the secretary of state ~~shall~~ must notify by electronic means the auditor of the county where the voter formerly maintained residence that the voter has moved to another state. If the voter has not voted or submitted a voter registration application since the address change, the county auditor ~~shall~~ must promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. If the notice is not received by the deadline, the county auditor ~~shall~~ must change the voter's status to "inactive" in the statewide voter registration system.

(d) If, in order to maintain voter registration records, the secretary of state enters an agreement to share information or data with an organization governed exclusively by a group of states, the secretary must first determine that the data security protocols are sufficient to safeguard the information or data shared. If required by such an agreement, the secretary of state may share the following data from the statewide voter registration system and data released to the secretary of state under section 171.12, subdivision 7a:

(1) name;

(2) date of birth;

(3) address;

(4) driver's license or state identification card number;

(5) the last four digits of an individual's Social Security number; and

(6) the date that an individual's record was last updated.

If the secretary of state enters into such an agreement, the secretary and county auditors must process ~~changes~~ updates to voter records based upon that data in accordance with this section. Except as otherwise provided in this subdivision, when data is shared with the secretary of state by another state, the secretary of state must maintain the same data classification that the data had while it was in the possession of the state providing the data.

Sec. 17. Minnesota Statutes 2024, section 201.14, is amended to read:

201.14 COURT ADMINISTRATOR OF DISTRICT COURT; REPORT CHANGES OF NAMES.

The state court administrator ~~shall~~ must regularly report by electronic means to the secretary of state the name, address, and, if available, driver's license or state identification card number of each individual, 18 years of age or over, whose name was changed since the last report, by marriage, divorce, or any order or decree of the court. The secretary of state ~~shall~~ must determine if any of the ~~persons~~ individuals in the report are registered to vote under their previous name and ~~shall~~ must prepare a list of those registrants for each county auditor. Upon receipt of the list, the county auditor ~~shall make the change in~~ must update the voter's record with this information and mail to the voter the notice of registration required by section 201.121, subdivision 2. A notice must not be mailed if the voter's record is challenged due to a felony conviction, lack of United States citizenship, legal incompetence, or court-ordered revocation of voting rights of persons under guardianship.

Sec. 18. Minnesota Statutes 2024, section 201.161, subdivision 4, is amended to read:

Subd. 4. **Department of Human Services.** (a) If permitted by the federal government, the commissioner of human services, in consultation with the secretary of state, must ensure the applications described in subdivision 1, paragraph (a), clause (2), also serve as voter registration applications for applicants 18 years of age or older whose United States citizenship has been verified as part of the application. The commissioner must transmit information required to register to vote, as prescribed by the secretary of state, daily by electronic means to the secretary of state for an individual whose United States citizenship has been verified. The commissioner must submit data to the secretary of state identifying the total number of individuals who completed qualifying transactions under this section and the total number of individuals whose records were ultimately transferred for registration or updates to registrations. At a minimum, the commissioner must submit the data to the secretary of state on the same day each month.

(b) No applicant may be registered to vote or have a registration updated under this subdivision until (1) the commissioner of human services has certified that the department's systems have been tested and can accurately provide the required data and accurately exclude from transmission data on individuals who have not provided documentary evidence of United States citizenship, and (2) the secretary of state has certified that the system for automatic registration of those applicants has been tested and is capable of properly determining whether an applicant is eligible to vote. The department's systems must be tested and accurately provide the necessary data no later than September 30 of the year following the year in which federal approval or permission is given, contingent on appropriations being available for this purpose.

Sec. 19. Minnesota Statutes 2024, section 201.161, subdivision 5, is amended to read:

Subd. 5. **Other agencies and units of government.** (a) The commissioner of management and budget must, in consultation with the secretary of state, identify any other state agency that is eligible to implement automatic voter registration. The commissioner must consider a state agency eligible if the agency collects, processes, or stores the following information as part of providing assistance or services: name, residential address, date of birth, and citizenship verification. An eligible agency must submit a report to the governor and secretary of state no later than December 1, 2024, describing steps needed to implement automatic voter registration, barriers to implementation and ways to mitigate them, and applicable federal and state privacy protections for the data under consideration. By June 1, 2025, the governor, at the governor's sole discretion, must make final decisions, as to which agencies will implement automatic voter registration by December 31, 2025, and which agencies could implement automatic voter registration if provided with additional resources or if

the legislature changed the law to allow data to be used for automatic voter registration. The governor must notify the commissioner of management and budget of the governor's decisions related to automatic voter registration. By October 1, 2025, the commissioner of management and budget must report to the chairs and ranking minority members of the legislative committees with jurisdiction over election policy and finance. The report must include:

(1) the agencies that will implement automatic voter registration by December 31, 2025;

(2) the agencies which could implement automatic voter registration if provided with additional resources and recommendations on the necessary additional resources; and

(3) the agencies that could implement automatic voter registration if the legislature changed the law to allow data to be used for voter registration and recommendations on how the law could be changed to allow the use of the data for this purpose.

(b) An agency may not begin verifying citizenship as part of an agency transaction for the sole purpose of providing automatic voter registration. Once an agency has implemented automatic voter registration, it must continue to provide automatic voter registration unless otherwise expressly required by law. For each individual whose United States citizenship has been verified, the commissioner or agency head must transmit information required to register to vote, as prescribed by the secretary of state, to the secretary of state by electronic means. The governor must determine the frequency of the transmissions for each agency.

(c) No applicant may be registered to vote or have a registration updated under this subdivision until (1) the agency's commissioner or agency head has certified that the necessary systems have been tested and can accurately provide the required data and accurately exclude from transmission data on individuals whose United States citizenship has not been verified, and (2) the secretary of state has certified that the system for automatic registration of those applicants has been tested and is capable of properly determining whether an applicant is eligible to vote.

Sec. 20. Minnesota Statutes 2024, section 201.161, subdivision 8, is amended to read:

Subd. 8. **Effective date of registration.** Unless the applicant declines registration, the effective date for the voter registration or update to a voter registration is the date that the county auditor processes the application. This subdivision does not limit the ability of a person to register to vote or update their registration on election day as provided in section 201.061, subdivision 3. Any person who submits a qualifying application under subdivision 1 that is dated during the 20 days before an election must be provided, at the time of application, with a notice advising the applicant of the procedures to register to vote or update a voter registration on election day.

Sec. 21. Minnesota Statutes 2024, section 201.162, is amended to read:

201.162 DUTIES OF STATE AGENCIES.

The commissioner or chief administrative officer of each state agency or community-based public agency or nonprofit corporation that contracts with the state agency to carry out obligations of the state agency ~~shall~~ must provide voter registration services for employees and the public, including, as applicable, automatic voter registration or information on voter eligibility ~~and~~, registration ~~procedures~~, and updating registrations as required under section 201.161. ~~A person~~ An

individual may complete a voter registration application or apply to ~~change~~ update a voter registration name or address if the ~~person~~ individual has the proper qualifications on the date of application. Nonpartisan voter registration assistance, including routinely asking members of the public served by the agency whether they would like to register to vote or update a voter registration and, if necessary, assisting them in preparing the registration forms must be part of the job of appropriate agency employees.

Sec. 22. Minnesota Statutes 2024, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. The printed registration application can be a printed form, a label printed with voter information to be affixed to a preprinted form, a combination of a form and label, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter maintains residence in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be a printed form, a label printed with the voter's information to be affixed to the oath, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(10) contain only ~~preregistered~~ registered voters within the precinct, and not contain ~~preregistered~~ registered voter data on voters registered outside of the precinct, unless being utilized for a combined

polling place pursuant to section 204B.14, subdivision 2, absentee or early voting under chapter 203B or for mail balloting on election day pursuant to section 204B.45, subdivision 2a;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for ~~election day registration~~ registering voters and updating voters' registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for ~~preregistered voter~~ processing voters who are registered and do not need to update a registration do not need to comply with clauses (4) and (5).

EFFECTIVE DATE. This section is effective on June 1, 2025.

Sec. 23. Minnesota Statutes 2024, section 201.225, subdivision 5, is amended to read:

Subd. 5. **Election day.** (a) Precincts may use electronic rosters for registering voters and updating registrations on election day ~~registration~~, to process ~~preregistered~~ registered voters, or both. The printed election day registration applications must be reviewed when electronic records are processed in the statewide voter registration system. The election judges ~~shall~~ must determine the number of ballots to be counted by counting the number of original voter signature certificates or the number of voter receipts.

(b) Each precinct using electronic rosters ~~shall~~ must have a paper backup system approved by the secretary of state present at the polling place to use in the event that the election judges are unable to use the electronic roster.

Sec. 24. Minnesota Statutes 2024, section 201.275, is amended to read:

201.275 INVESTIGATIONS; PROSECUTIONS.

(a) A law enforcement agency that is notified by affidavit of an alleged violation of this chapter ~~shall~~ must promptly investigate. Upon receiving an affidavit alleging a violation of this chapter, a county attorney ~~shall~~ must promptly forward it to a law enforcement agency with jurisdiction for investigation. If there is probable cause for instituting a prosecution, the county attorney ~~shall~~ must proceed according to the generally applicable standards regarding the prosecutorial functions and duties of a county attorney, provided that the county attorney is not required to proceed with the prosecution if the complainant withdraws the allegation. A county attorney who refuses or intentionally fails to faithfully perform this or any other duty imposed by this chapter is guilty of a misdemeanor and upon conviction ~~shall~~ must forfeit office.

(b) Willful violation of this chapter by any public employee constitutes just cause for suspension without pay or dismissal of the public employee.

(c) Where the matter relates to a voter registration application submitted electronically through the secure website established in section 201.061, subdivision 1, alleged violations of this chapter may be investigated and prosecuted in the county in which the individual registered, updated a voter registration, or attempted to register.

Sec. 25. Minnesota Statutes 2024, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** (a) Except as otherwise allowed by subdivision 2 or by section 203B.06, subdivision 3, paragraph (c), clause (4); 203B.11, subdivision 4~~,~~; or 203B.29, an application for absentee ballots for any election:

(1) may be submitted in person at any time not later than the day before the election; or

(2) must be received by electronic facsimile device, by email, by mail, or by an individual delivering an application on behalf of another voter at any time not less than ~~one day~~ five days before the day of that election.

The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing. An application may be submitted in person, by electronic facsimile device, by electronic mail, or by mail to:

(1) the county auditor of the county where the applicant maintains residence; or

(2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

(b) An absentee ballot application may alternatively be submitted electronically through a secure website that shall be maintained by the secretary of state for this purpose. After 5:00 p.m. seven days prior to a primary, general, or special election, the secretary of state must replace the electronic application with information detailing the available options to vote before and on the upcoming election day. Notwithstanding paragraph (d), the secretary of state must require applicants using the website to submit the applicant's email address and the applicant's:

(1) verifiable Minnesota driver's license number~~,~~ or Minnesota state identification card number~~, or~~; and

(2) the last four digits of the applicant's Social Security number.

If an applicant does not possess both types of documents, the applicant must include the number for one type of document and must affirmatively certify that the applicant does not possess the other type of documentation. This paragraph does not apply to a town election held in March.

(c) An application submitted electronically under ~~this~~ paragraph (b) may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must

review all unverifiable applications for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(d) An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, date of birth, and at least one of the following:

(1) the applicant's Minnesota driver's license number;

(2) Minnesota state identification card number;

(3) the last four digits of the applicant's Social Security number; or

(4) a statement that the applicant does not have any of these numbers.

The county auditor or the municipal clerk or school district clerk, if applicable, must retain all applications. For an application received after the deadline in paragraph (a), the official in charge of the ballot board must, within one day of receipt of the application, attempt to contact the applicant by telephone or email to notify the applicant of opportunities to vote in the election. The official must document the attempts made to contact the applicant.

(e) To be approved, the application must contain an oath that the information contained on the form is accurate, that the applicant is applying on the applicant's own behalf, and that the applicant is signing the form under penalty of perjury.

(f) An applicant's full date of birth, Minnesota driver's license or state identification number, and the last four digits of the applicant's Social Security number must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ~~ten~~ seven days after it has been dated by the voter and the application must be received no later than ~~six days before the election~~ the deadline in paragraph (a).

(g) An application under this subdivision ~~may~~ must contain ~~an application under subdivision 5~~ a space to apply to automatically receive an absentee ballot under subdivision 5.

(h) For purposes of this section, "mail" means an absentee ballot application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

EFFECTIVE DATE. Paragraph (g) is effective on January 1, 2026, as it applies to the secretary of state's online absentee ballot website. Paragraph (g) is effective July 1, 2025, as it applies to all other absentee ballot applications. The remainder of this section is effective July 1, 2025.

Sec. 26. Minnesota Statutes 2024, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **Registration at time of application; updating registration.** An eligible voter who is not registered to vote or needs to update the voter's registration but who is otherwise eligible to vote by absentee ballot may register or update a registration by including a completed voter

registration application with the absentee ballot. The individual ~~shall~~ must present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 27. Minnesota Statutes 2024, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121 and whether the municipality's office will be designated an absentee voting location pursuant to section 203B.081, subdivision 1, or only for early voting pursuant to section 203B.081, subdivision 1a, or the alternative procedure pursuant to section 203B.081, subdivision 3.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

Sec. 28. Minnesota Statutes 2024, section 203B.06, subdivision 4, is amended to read:

Subd. 4. **Registration check.** Upon receipt of an application for ballots, the county auditor, municipal clerk, or election judge acting pursuant to section 203B.11, who receives the application ~~shall~~ must determine whether the applicant is a registered voter. If the applicant is not registered to vote or needs to update the voter's registration, the county auditor, municipal clerk, or election judge ~~shall~~ must include a voter registration application among the election materials provided to the applicant.

Sec. 29. Minnesota Statutes 2024, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk ~~shall~~ must prepare, print, and transmit a return envelope, a signature envelope, a ballot envelope, and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to section 203B.04. The county auditor or municipal clerk

~~shall~~ must provide first class postage for the return envelope. The directions for casting an absentee ballot ~~shall~~ must be printed in at least 14-point bold type with heavy leading and may be printed on the ballot envelope. When a person requests the directions in Braille or on audio file, the county auditor or municipal clerk ~~shall~~ must provide them in the form requested. The secretary of state ~~shall~~ must prepare Braille and audio file copies and make them available.

When a voter registration application is sent to the applicant as provided in section 203B.06, subdivision 4, the directions or registration application ~~shall~~ must include instructions for registering to vote or updating a voter's registration.

Sec. 30. Minnesota Statutes 2024, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot ~~shall~~ must be printed on the back of the signature envelope. The certificate ~~shall~~ must contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is at least 18 years of age on or before the day of the election and a citizen of the United States or by a notary public or other individual authorized to administer oaths stating that:

(1) the ballots were displayed to that individual unmarked;

(2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(3) if the voter was not previously registered or needed to update the voter's registration, the voter has provided proof of residence as required by section 201.061, subdivision 3.

EFFECTIVE DATE. This section is effective June 1, 2026.

Sec. 31. Minnesota Statutes 2024, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The ~~return~~ signature envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the ~~return~~ signature envelope must be submitted to the county auditor or municipal clerk by 8:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed ~~absentee ballot return~~ signature envelope to the county auditor or municipal clerk or to deposit the ~~return~~ signature envelope in the mail. An agent may deliver or mail the ~~return~~ signature envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the ~~return~~ signature

envelope or the voted ballots or does not immediately mail or deliver the ~~return~~ signature envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 32. Minnesota Statutes 2024, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the ~~return~~ signature envelope and place it in a locked ballot container or other secured and locked space with other ~~return~~ signature envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ~~ballots~~ signature envelopes received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ~~ballots~~ signature envelopes received to the ballot board within three days. ~~Ballots~~ Signature envelopes received on election day after 8:00 p.m. shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 33. Minnesota Statutes 2024, section 203B.081, subdivision 4, is amended to read:

Subd. 4. **Temporary locations.** (a) A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085. A designation authorized by this subdivision must be made at least 47 days before the election. As soon as practicable and no later than five business days after designating an additional polling place under this subdivision, the county auditor or municipal clerk must post on the county's or municipality's website the address of the polling place and the dates and times the polling place will be available for voting. The county auditor or municipal clerk must provide notice to the secretary of state at the time that the designations are made. As soon as practicable and no later than five business days after receiving the notice, the secretary of state must post on the secretary of state's website the address of the polling place and the dates and times the polling place will be available for voting.

(b) At the request of a federally recognized Indian Tribe with a reservation or off-reservation Tribal lands in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation or off-reservation Tribal lands on a site agreed upon by the Tribe and the county auditor that is accessible to the county auditor by a public road.

(c) At the request of a postsecondary institution or the student government organization of a postsecondary institution in the county or municipality, the county auditor or a municipal clerk authorized to administer absentee voting under section 203B.05 must establish an additional temporary polling place for the state general election or the odd-year city general election for at least one day at a location agreed upon by the institution and the county auditor or municipal clerk that:

(1) is accessible to the public;

(2) satisfies the requirements of state and federal law; and

(3) is on the institution's campus or is within one-half mile of the institution's campus and is reasonably accessible to the institution's students.

A request must be made no later than May 31 before an election and the request is valid only for that election. This paragraph only applies to a postsecondary institution that provides on-campus

student housing to 100 or more students. Nothing in this paragraph prevents the county auditor or municipal clerk from engaging in a dialogue with the entity that made the request regarding potential alternative locations for a temporary polling place that does not meet the requirements of clause (3). An entity that made a request for a temporary polling place may withdraw its request by notifying the county auditor or municipal clerk.

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

Sec. 34. Minnesota Statutes 2024, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws must designate election judges to deliver absentee ballots in accordance with this section. The county auditor must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in one of the following facilities located in the municipality in which the voter maintains residence: a health care facility, hospital, or veterans home operated by the board of directors of the Minnesota veterans homes under chapter 198. The ballots must be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they must travel together in the same vehicle. Both election judges must be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges must deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

(b) If a health care professional at the facility or hospital determines it is necessary to ensure the health and safety of election judges, the voter, or others at the facility or hospital, two employees of the facility or hospital may receive a ballot from the election judges and deliver the ballot to an individual voter in place of election judges, notwithstanding other requirements of this section. The employees must not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. Both employees must be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The employees must return the ballot to the election judges immediately after the voter has finished voting.

~~(b)~~ (c) At the discretion of a full-time municipal clerk, school district clerk, or county auditor, absentee ballots may be delivered in the same manner as prescribed in paragraph (a) to a shelter for battered women as defined in section 611A.37, subdivision 4, or to an assisted living facility licensed under chapter 144G.

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

Sec. 35. Minnesota Statutes 2024, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must

be of different major political parties, unless they are exempt from that requirement under section 204B.21, subdivision 2a; section 205.07, subdivision 4; section 205.075, subdivision 4~~,~~; or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application or voter record;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the 19th day before the election, as provided by section 203B.081.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the ballot envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter to notify the voter that the voter's ballot has been rejected by the method or methods of communication provided by the voter on the voter's application for an absentee ballot or voter registration. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Sec. 36. Minnesota Statutes 2024, section 203B.121, subdivision 4, is amended to read:

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

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

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

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

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

Sec. 37. Minnesota Statutes 2024, section 203B.121, subdivision 5, is amended to read:

Subd. 5. **Storage and counting of absentee ballots.** (a) On a day on which absentee ballots are inserted into a ballot box, two members of the ballot board must:

(1) remove the ballots from the ballot box at the end of the day;

(2) without inspecting the ballots, ensure that the number of ballots removed from the ballot box is equal to the number of ~~voters whose~~ absentee ballots ~~were accepted~~ from the tally in subdivision 4 that were to be inserted into the ballot box that day; and

(3) seal and secure all voted and unvoted ballots present in that location at the end of the day.

(b) After the polls have closed on election day, two members of the ballot board must count the ballots, tabulating the vote in a manner that indicates each vote of the voter and the total votes cast for each candidate or question. In state primary and state general elections, the results must indicate the total votes cast for each candidate or question in each precinct and report the vote totals tabulated for each precinct. The count must be recorded on a summary statement in substantially the same format as provided in section 204C.26. The ballot board ~~shall~~ must submit at least one completed summary statement to the county auditor or municipal clerk. The county auditor or municipal clerk may require the ballot board to submit a sufficient number of completed summary statements to comply with the provisions of section 204C.27, or the county auditor or municipal clerk may certify reports containing the details of the ballot board summary statement to the recipients of the summary statements designated in section 204C.27.

~~In state primary and state general elections,~~ These vote totals ~~shall~~ must be added to the vote totals on the summary statements of the returns for the appropriate precinct. ~~In other elections, these vote totals may be added to the vote totals on the summary statement of returns for the appropriate precinct or may be reported as a separate total.~~

The count ~~shall~~ must be public. No vote totals from ballots may be made public before the close of voting on election day.

(c) In addition to the requirements of paragraphs (a) and (b), if the task has not been completed previously, the members of the ballot board must verify as soon as possible, but no later than 24 hours after the end of the hours for voting, that voters whose absentee ballots arrived after the rosters were marked or supplemental reports were generated and whose ballots were accepted did not vote in person on election day. An absentee ballot submitted by a voter who has voted in person on election day must be rejected. All other accepted absentee ballots must be opened in accordance with the procedures outlined in subdivision 4, except for the absentee ballots cast using the alternative procedure in section 203B.081, subdivision 3, duplicated if necessary, and counted by members of the ballot board. The vote totals from these ballots must be incorporated into the totals with the other absentee ballots and handled according to paragraph (b).

Sec. 38. Minnesota Statutes 2024, section 203B.17, subdivision 3, is amended to read:

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

(b) The electronic absentee ballot application system must be secure. The website shall maintain the confidentiality of all users and preserve the integrity of the data submitted. The secretary of state shall employ security measures to ensure the accuracy and integrity of absentee ballot applications submitted electronically pursuant to this section. All data sent and received through the website must be encrypted.

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

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

Sec. 39. Minnesota Statutes 2024, section 203B.23, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The absentee ballot board must examine all returned absentee ballot envelopes for ballots issued under sections 203B.16 to 203B.27 and accept or reject the absentee ballots in the manner provided in section 203B.24. If the certificate of voter eligibility is not printed on the signature envelope, the certificate must be attached to the ballot envelope.

(b) The absentee ballot board must immediately examine the signature envelopes or certificates of voter eligibility that are attached to the ballot envelopes and mark them "accepted" or "rejected" during the 45 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board must provide the voter with a replacement absentee ballot and envelopes in place of the spoiled ballot.

(c) If a county has delegated the responsibility for administering absentee balloting to a municipality under section 203B.05, accepted absentee ballots must be delivered to the appropriate municipality's absentee ballot board, except as otherwise provided in this paragraph. If a municipality and county agree that the county's ballot board retains responsibility for ballots issued pursuant to sections 203B.16 to 203B.27, absentee ballots issued pursuant to these sections that are accepted must be opened, counted, and retained by the county's absentee ballot board. The absentee ballot board with the authority to open and count the ballots must do so in accordance with section 203B.121, subdivisions 4 and 5.

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

Sec. 40. Minnesota Statutes 2024, section 203B.29, subdivision 1, is amended to read:

Subdivision 1. **Emergency response providers.** Any eligible Minnesota voter who is a trained or certified emergency response provider or utility worker who is deployed in response to any state

of emergency declared by the President of the United States or any governor of any state within the United States during the time period authorized by law for absentee voting or on election day may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor must electronically transmit the requested materials to the voter. The absentee ballot application deadlines in section 203B.04, subdivision 1, do not apply to this subdivision. The county auditor is not required to provide return postage to voters to whom ballots are transmitted electronically.

Sec. 41. Minnesota Statutes 2024, section 203B.29, subdivision 2, is amended to read:

Subd. 2. **Reasonable accommodation for voter with disability.** Any eligible Minnesota voter with a print disability, including any voter with disabilities that interfere with the effective reading, writing, or use of printed materials, may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically in an accessible format that meets Election Assistance Commission minimum accessibility requirements. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The absentee ballot application deadlines in section 203B.04, subdivision 1, do not apply to this subdivision. The county auditor must also mail the voter materials required under section 203B.07.

Sec. 42. Minnesota Statutes 2024, section 203B.30, subdivision 2, is amended to read:

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote ~~or~~ must register and a voter whose name or address has changed must ~~register~~ update the voter's registration in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 43. Minnesota Statutes 2024, section 203B.30, subdivision 3, is amended to read:

Subd. 3. **Processing of ballots.** Each day when early voting occurs, the early voting officials must:

(1) remove and secure ballots cast ~~during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a).~~, noting the date, voting location, and number of ballots cast;

(2) without inspecting the ballots, ensure that the number of ballots removed from the ballot box is equal to the number of voter certificates that were signed by voters in subdivision 2, paragraph (b); and

(3) seal and secure all voted and unvoted ballots present in that location at the end of the day.

The ~~absentee~~ ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 44. Minnesota Statutes 2024, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** (a) An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, except as authorized by subdivision 9; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

(b) An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community~~.~~ and:

(1) the phonetic spelling or an explanation for the pronunciation of the full name designated for the ballot; or

(2) a certification that the candidate is directing the official responsible for programming materials for the election to use the applicable technology's default pronunciation of the candidate's name.

(c) An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

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

Sec. 45. Minnesota Statutes 2024, section 204B.06, subdivision 1b, is amended to read:

Subd. 1b. **Address, electronic mail address, and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. Except for affidavits of candidacy for (1) judicial office, (2) the office of county attorney, or (3) county sheriff, an affidavit must also state the candidate's current address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. When filing the affidavit, the candidate must present the filing officer with the candidate's valid driver's license or state identification card that contains the candidate's current address of residence, or documentation of proof of residence authorized for election day registration in section 201.061, subdivision 3, paragraph (a), clause (2); clause (3)~~, item (ii)~~; or paragraph (d). If an original bill is shown, the due date on the bill must be within 30 days before or after the beginning of the filing period or, for bills without a due date, dated within 30 days before the beginning of the filing period. If the address on the affidavit and the documentation do not match, the filing officer must not accept the affidavit. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.

(b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that either: (1) a police report has been submitted, an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; or (2) the candidate's address is otherwise private pursuant to Minnesota law. The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

~~(d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.~~

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

Sec. 46. Minnesota Statutes 2024, section 204B.07, subdivision 2, is amended to read:

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

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

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

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

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

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

(4) the office sought by the candidate; and

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

Sec. 47. Minnesota Statutes 2024, section 204B.09, subdivision 1a, is amended to read:

Subd. 1a. **Absent candidates.** (a) A candidate for special district, county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for being unable to submit the affidavit during the filing period. The affidavit, filing fee, if any, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

(b) A candidate for special district, county, state, or federal office who will be absent from the state during the entire filing period or who must leave the state for the remainder of the filing period and who certifies to the secretary of state that the circumstances constitute an emergency and were unforeseen, may submit a properly executed affidavit of candidacy by facsimile device or by transmitting electronically a scanned image of the affidavit and proof of residence required in section 204B.06, subdivision 1b, to the secretary of state during the filing period. The candidate shall state in writing the specific reason for being unable to submit the affidavit by mail or by hand during the filing period or in person prior to the start of the filing period. The affidavit of candidacy, filing fee, if any, and any necessary petitions must be received by the secretary of state by 5:00 p.m. on the last day for filing. If the candidate is filing for a special district or county office, the secretary of state shall forward the affidavit of candidacy, filing fee, if any, and any necessary petitions to the appropriate filing officer. Copies of a proof of residence submitted under this subdivision are private data on individuals, as defined in section 13.02, subdivision 12.

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

Sec. 48. Minnesota Statutes 2024, section 204B.09, subdivision 2, is amended to read:

Subd. 2. **Other elections.** (a) Affidavits of candidacy and nominating petitions for city, town or other elective offices shall be filed during the time and with the official specified in chapter 205 or other applicable law or charter, except as provided for a special district candidate under subdivision 1a. Affidavits of candidacy and applications filed on behalf of eligible voters for school board office shall be filed during the time and with the official specified in chapter 205A or other applicable law. Affidavits of candidacy, including proof of residence required in section 204B.06, subdivision 1b, and nominating petitions filed under this subdivision must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary, and must be received by the appropriate official within the specified time for the filing of affidavits and petitions for the office. Copies of a proof of residence submitted by mail are private data on individuals, as defined in section 13.02, subdivision 12.

(b) The official receiving the filing shall notify the official responsible for preparing the ballot of the names of the candidates placed on the ballot, any changes to candidates, or other information necessary to prepare the ballot. The notification must be made within one business day of receiving the filing or change or immediately following the close of the filing period, whichever is sooner, unless the clerk and official agree to an alternative notification timeline.

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

Sec. 49. Minnesota Statutes 2024, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the ~~seventh~~ 19th day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official no later than the ~~seventh~~ 19th day before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted and the city clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school district, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate. If a governing body adopts a resolution authorized by this paragraph, the resolution must be adopted and the clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body.

(d) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

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

Sec. 50. Minnesota Statutes 2024, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than November 1 if a presidential nomination primary is scheduled to occur in the following year or May 1 of any other year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for contiguous precincts in the same municipality;

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

Subject to the requirements of paragraph (c), a single, accessible, combined polling place may be established after May 1 of any year in the event of an emergency.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than October 1 if a presidential nomination primary is scheduled to occur in the following year or April 1 of any other year, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place~~, except that~~. In a precinct that uses electronic rosters, the secretary of state shall provide separate data files for each precinct and the election official responsible for the electronic rosters may combine the files as necessary to be loaded onto one or more electronic rosters, provided that the requirements under section 201.225, subdivision 2, are met. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

(c) If a local elections official determines that an emergency situation preventing the safe, secure, and full operation of a polling place on election day has occurred or is imminent, the local elections official may combine two or more polling places for that election pursuant to this subdivision. To the extent possible, the polling places must be combined and the election conducted according to the requirements of paragraph (b), except that:

(1) polling places may be combined after May 1 and until the polls close on election day;

(2) any city or town, regardless of size or location, may establish a combined polling place under this paragraph;

(3) the governing body is not required to adopt an ordinance or resolution to establish the combined polling place;

(4) a polling place combined under paragraph (b), clause (3) or (4), must be approved by the local election official of each participating municipality;

(5) the local elections official must immediately notify the county auditor and the secretary of state of the combination, including the reason for the emergency combination and the location of the combined polling place. As soon as possible, the local elections official must also post a notice stating the reason for the combination and the location of the combined polling place. The notice must also be posted on the governing board's website, if one exists. The local elections official must

also notify the election judges and request that local media outlets publicly announce the reason for the combination and the location of the combined polling place; and

(6) on election day, the local elections official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the combined polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the combined polling place will be extended until the specified time.

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

Sec. 51. Minnesota Statutes 2024, section 204B.14, subdivision 4a, is amended to read:

Subd. 4a. **Municipal boundary adjustment procedure.** A change in the boundary of an election precinct that has occurred as a result of a municipal boundary adjustment made under chapter 414 that is effective more than ~~21~~ 46 days before a regularly scheduled election takes effect at the scheduled election.

A change in the boundary of an election precinct that has occurred as a result of a municipal boundary adjustment made under chapter 414 that is effective ~~less than 21~~ 46 or fewer days before a regularly scheduled election takes effect the day after the scheduled election.

Sec. 52. Minnesota Statutes 2024, section 204B.16, subdivision 1a, is amended to read:

Subd. 1a. **Notice to voters.** (a) If the location of a polling place has been changed, the governing body establishing the polling place shall send to every affected household with at least one registered voter in the precinct a nonforwardable mailed notice stating the location of the new polling place at least 25 days before the next election. The secretary of state shall prepare a sample of this notice. A notice that is returned as undeliverable must be forwarded immediately to the county auditor. This subdivision does not apply to a polling place location that is changed on election day under section 204B.175.

(b) If the location of a polling place has been changed, the local official for the governing body establishing the polling place must post a notice in large print and in a conspicuous place at the closed polling place, if practical, stating the location of the new polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. The notice must be in all languages required under section 204B.295 for that precinct. The notice must be posted for each special, primary, and general election until a November presidential election or redistricting has occurred. The secretary of state shall prepare a sample of this notice.

Sec. 53. Minnesota Statutes 2024, section 204B.175, subdivision 3, is amended to read:

Subd. 3. **Notice.** (a) Upon making the determination to relocate a polling place, the local election official must immediately notify the county auditor and the secretary of state. The notice must include the reason for the relocation and the reason for the location of the new polling place. As soon as possible, the local election official must also post a notice stating the reason for the relocation

and the location of the new polling place. The notice must also be posted on the website of the public body, if there is one. The local election official must also notify the election judges and request that local media outlets publicly announce the reason for the relocation and the location of the polling place. If the relocation occurs more than 14 days prior to the election, the local election official must mail a notice to the impacted voters of the reason for the relocation and the location of the polling place.

(b) On election day, the local election official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the new polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the new polling place will be extended until the specified time. Notices required by this paragraph must be in all languages required under section 204B.295 for that precinct.

Sec. 54. **[204B.182] CHAIN OF CUSTODY PLANS.**

(a) The county auditor must develop a county elections chain of custody plan to be used in all state, county, municipal, school district, and special district elections held in that county. If any of the political subdivisions cross county lines, the affected counties must make efforts to ensure that the elections chain of custody procedures affecting the local jurisdiction are uniform throughout the jurisdiction. County auditors must file the elections chain of custody plans with the secretary of state.

(b) The chain of custody plan must account for both the physical and cyber security of elections-related materials. The plan must include sample chain of custody documentation.

(c) The secretary of state may provide additional guidance to counties on elections chain of custody best practices and planning.

(d) A municipal clerk, school district clerk, or special district clerk must utilize either the county chain of custody plan or create a local chain of custody plan for use in local elections not held in conjunction with federal, state, or county elections that meets or exceeds the requirements of the county elections chain of custody plan. Any plan adopted under this paragraph must be adopted and filed with the secretary of state and the county auditor at least 84 days before the first election in which it will be used.

(e) Each political subdivision clerk who develops a local elections chain of custody plan pursuant to paragraph (d) and each county auditor must review their respective elections chain of custody plan prior to each state primary election. Any revisions to the elections chain of custody plan must be completed and filed with the secretary of state by June 1 prior to the state primary election.

EFFECTIVE DATE. This section is effective the day following final enactment and county auditors must file an elections chain of custody plan with the secretary of state by June 1, 2026.

Sec. 55. Minnesota Statutes 2024, section 204B.21, subdivision 1, is amended to read:

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

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

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

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

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

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

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

Sec. 56. Minnesota Statutes 2024, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** (a) Election judges for precincts in a municipality ~~shall~~ and for a municipality's ballot board must be appointed by the governing body of the municipality. Election judges for a county ballot board, for precincts in unorganized territory, and for performing other election-related duties assigned by the county auditor ~~shall~~ must be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. ~~Except as otherwise provided in this section, appointments shall be made from the list of voters who maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to~~

~~serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party.~~ Election judges must meet all eligibility requirements and other qualifications established or authorized under section 204B.19.

(b) At least two election judges in each precinct and serving on the ballot board must be affiliated with different major political parties.

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

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

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

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

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

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

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

(f) An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge.

(g) The appointments ~~shall~~ must be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required.

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

Sec. 57. Minnesota Statutes 2024, section 204B.21, is amended by adding a subdivision to read:

Subd. 2a. **Election judges; party balance.** The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2, paragraphs (b) to (f); 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to a county election not held in conjunction with a state or federal election.

Sec. 58. Minnesota Statutes 2024, section 204B.24, is amended to read:

204B.24 ELECTION JUDGES; OATH.

Each election judge shall sign the following oath before assuming the duties of the office:

"I ..... solemnly swear (or affirm) that:

(1) I will perform the duties of election judge according to law and the best of my ability and will diligently endeavor to prevent fraud, deceit and abuse in conducting this election.

(2) I will perform my duties in a fair and impartial manner and not attempt to create an advantage for my party or for any candidate.

(3) In accordance with Minnesota Statutes, section 211B.075, I will not share information about voting that I know to be materially false and will not intentionally hinder, interfere with, or prevent a person from voting, registering to vote, or aiding another person in casting a ballot or registering to vote, except as specifically required by law."

The oath shall be attached to the summary statement of the election returns of that precinct. If there is no individual present who is authorized to administer oaths, the election judges may administer the oath to each other.

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

Sec. 59. Minnesota Statutes 2024, section 204B.25, subdivision 3, is amended to read:

Subd. 3. **Trained election judges; number required.** Each election precinct in which less than 100 individuals voted at the last state general election shall have at least two election judges who are members of different major political parties who have received training as required in this section. ~~In every other election precinct,~~ No individual may serve as an election judge who has not received training as required by subdivision 1.

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

Sec. 60. **[204B.275] ELECTION REPORTING SYSTEM.**

Subdivision 1. **Definition.** "Election reporting system" means the computerized central statewide database for offices, candidates, ballot questions, and unofficial results developed and maintained

by the secretary of state. The system facilitates the collection, aggregation, reporting, and secure sharing of unofficial election results to the public.

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective on June 1, 2025.

Sec. 61. Minnesota Statutes 2024, section 204B.28, subdivision 2, is amended to read:

Subd. 2. **Election supplies; duties of county auditors and clerks.** (a) Except as otherwise provided in this section and for absentee ballots in section 204B.35, subdivision 4, the county auditor shall complete the preparation of the election materials for which the auditor is responsible at least four days before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than ~~four days~~ the day before the election each municipal clerk shall secure from the county auditor:

(1) the forms that are required for the conduct of the election;

(2) any printed voter instruction materials furnished by the secretary of state;

(3) any other instructions for election officers; and

(4) a sufficient quantity of the official ballots, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota Election Law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to section 204B.29, subdivision 1.

(b) The county auditor must prepare and make available election materials for early voting to municipal clerks designated to administer early voting under section 203B.05 on or before the 19th day before the election.

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

Sec. 62. Minnesota Statutes 2024, section 204B.44, is amended to read:

204B.44 ERRORS AND OMISSIONS; REMEDY.

(a) Any individual may file a petition in the manner provided in this section for the correction of any of the following errors, omissions, or wrongful acts which have occurred or are about to occur:

(1) an error or omission in the placement or printing of the name or description of any candidate or any question on any official ballot, including the placement of a candidate on the official ballot who is not eligible to hold the office for which the candidate has filed;

(2) any other error in preparing or printing any official ballot;

(3) failure of the chair or secretary of the proper committee of a major political party to execute or file a certificate of nomination;

(4) any wrongful act, omission, or error of any election judge, municipal clerk, county auditor, canvassing board or any of its members, the secretary of state, or any other individual charged with any duty concerning an election.

(b) The petition shall describe the error, omission, or wrongful act and the correction sought by the petitioner. The petition shall be filed with any judge of the supreme court in the case of an election for state or federal office or any judge of the district court in that county in the case of an election for county, municipal, or school district office. The petitioner shall serve a copy of the petition on the officer, board or individual charged with the error, omission, or wrongful act, on all candidates for the office in the case of an election for state, federal, county, municipal, or school district office, and on any other party as required by the court. Upon receipt of the petition the court shall immediately set a time for a hearing on the matter and order the officer, board or individual charged with the error, omission or wrongful act to correct the error or wrongful act or perform the duty or show cause for not doing so. In the case of a review of a candidate's eligibility to hold office, the court may order the candidate to appear and present sufficient evidence of the candidate's

eligibility. The court shall issue its findings and a final order for appropriate relief as soon as possible after the hearing. Failure to obey the order is contempt of court.

(c) Any service required by this section on a candidate may be accomplished by electronic mail sent to the address the candidate provided on their affidavit of candidacy pursuant to section 204B.06, subdivision 1b, or by any other means permitted by law.

(d) If all candidates for an office and the officer, board, or individual charged with the error, omission, or wrongful act unanimously agree in writing:

(1) that an error, omission, or wrongful act occurred; and

(2) on the appropriate correction for the error, omission, or wrongful act,

then the officer, board, or individual charged with the error, omission, or wrongful act must correct the error in the manner agreed to without an order from the court. Such agreement must address, at a minimum, how the correction will take place and, if the correction involves a change to a ballot, how voters who have received or returned an incomplete ballot will be notified of the change and what, if any, steps voters who have returned an incorrect ballot can take to receive a corrected replacement ballot.

The officer, board, or individual must notify the secretary of state in writing of the error and proposed correction within one business day of receiving notification of the candidate's written agreement and must not distribute any ballots reflecting the proposed correction for two business days unless the secretary of state waives this notice period. Nothing in this paragraph shall be construed to preclude any person from filing a petition under this section alleging that the written agreement constitutes an error, omission, or wrongful act that requires correction by the court.

(e) Any candidate for an office who does not enter into an agreement under paragraph (d) and who does not prevail at any subsequent proceeding involving a petition filed under this section must pay the costs and disbursements of the prevailing party or parties unless the court determines that the candidate's position was substantially justified or such costs and disbursements would impose undue hardship or otherwise be inequitable.

(f) Notwithstanding any other provision of this section, an official may correct any official ballot without order from the court if the ballot is not in compliance with sections 204B.35 to 204B.37 or any rules promulgated under sections 204B.35 to 204B.37.

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

Sec. 63. Minnesota Statutes 2024, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure; voting prior to election day.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than ~~14~~ 28 days before ~~a regularly scheduled~~ any election ~~and not more than 30 days nor later than 14 days before any other election~~, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time

the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 204B.21, subdivision 2a; 205.07, subdivision 4; 205.075, subdivision 4~~,~~; or ~~section~~ 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

EFFECTIVE DATE. This section is effective November 15, 2025, for elections held on or after January 1, 2026.

Sec. 64. Minnesota Statutes 2024, section 204C.05, subdivision 2, is amended to read:

Subd. 2. **Voters in line at closing.** (a) At or before the hour when voting is scheduled to begin, the election judges ~~shall~~ must agree upon the standard of time they will use to determine when voting will begin and end. Voting ~~shall~~ must not be allowed after the time when it is scheduled to end, unless individuals are waiting in the polling place or waiting in line at the door to register, to update the voter's registration, or to vote. The voting ~~shall~~ must continue until those individuals have been allowed to vote. ~~No~~ An individual who comes to the polling place or to a line outside the polling place after the time when voting is scheduled to end ~~shall~~ must not be allowed to vote.

(b) The local election official may extend polling place hours to accommodate voters that would have been in line at the regular polling place if the polling place had not been combined or moved

on election day pursuant to section 204B.14, subdivision 2, or 204B.175. Polling place hours may be extended at the new polling place for one hour. The local election official must immediately provide notice to the county auditor, secretary of state, and election judges of the extension in polling place hours. The local election official must also request that the local media outlets publicly announce the extended polling place hours. Voters in the polling place or waiting in line at the door to register, to update the voter's registration, or to vote at the end of the extended polling place hours ~~shall~~ must be allowed to vote pursuant to paragraph (a).

Sec. 65. Minnesota Statutes 2024, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. **Persons allowed near polling place.** An individual ~~shall~~ must be allowed to go to and from the polling place for the purpose of voting without unlawful interference. ~~No one~~ Except an election official or an individual who is waiting to register, to update the voter's registration, or to vote or an individual who is conducting exit polling ~~shall~~, an individual must not stand within 100 feet of the building in which a polling place is located.

Sec. 66. Minnesota Statutes 2024, section 204C.06, subdivision 2, is amended to read:

Subd. 2. **Individuals allowed in polling place; identification.** (a) Representatives of the secretary of state's office, the county auditor's office, and the municipal or school district clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting ~~or~~, updating the voter's registration, registering to vote, providing proof of residence for an individual who is registering to vote or updating a registration, or assisting a ~~disabled~~ voter with a disability or a voter who is unable to read English. During voting hours no one except individuals receiving, marking, or depositing ballots shall approach within six feet of a voting booth, ballot counter, or electronic voting equipment, unless lawfully authorized to do so by an election judge or the individual is an election judge monitoring the operation of the ballot counter or electronic voting equipment.

(b) Teachers and elementary or secondary school students participating in an educational activity authorized by section 204B.27, subdivision 7, may be present at the polling place during voting hours.

(c) Each official on duty in the polling place must wear an identification badge that shows their role in the election process. The badge must not show their party affiliation.

Sec. 67. Minnesota Statutes 2024, section 204C.06, subdivision 6, is amended to read:

Subd. 6. **Peace officers.** Except when summoned by an election judge to restore the peace or when voting, updating a registration, or registering to vote, no peace officer shall enter or remain in a polling place or stand within 50 feet of the entrance of a polling place.

Sec. 68. Minnesota Statutes 2024, section 204C.08, subdivision 1d, is amended to read:

Subd. 1d. **Voter's Bill of Rights.** The county auditor shall prepare and provide to each polling place sufficient copies of a poster setting forth the Voter's Bill of Rights as set forth in this section. Before the hours of voting are scheduled to begin, the election judges shall post it in a conspicuous location or locations in the polling place. The Voter's Bill of Rights is as follows:

"VOTER'S BILL OF RIGHTS

For all persons residing in this state who meet federal voting eligibility requirements:

(1) You have the right to be absent from work for the purpose of voting in a state, federal, or regularly scheduled election without reduction to your pay, personal leave, or vacation time on election day for the time necessary to appear at your polling place, cast a ballot, and return to work.

(2) If you are in line at your polling place any time before 8:00 p.m., you have the right to vote.

(3) If you can provide the required proof of residence, you have the right to register to vote or to update your registration and to vote on election day.

(4) If you are unable to sign your name, you have the right to orally confirm your identity with an election judge and to direct another person to sign your name for you.

(5) You have the right to request special assistance when voting.

(6) If you need assistance, you may be accompanied into the voting booth by a person of your choice, except by an agent of your employer or union ~~or a candidate~~.

(7) You have the right to bring your minor children into the polling place and into the voting booth with you.

(8) You have the right to vote if you are not currently incarcerated for conviction of a felony offense.

(9) If you are under a guardianship, you have the right to vote, unless the court order revokes your right to vote.

(10) You have the right to vote without anyone in the polling place trying to influence your vote.

(11) If you make a mistake or spoil your ballot before it is submitted, you have the right to receive a replacement ballot and vote.

(12) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being run.

(13) You have the right to take a sample ballot into the voting booth with you.

(14) You have the right to take a copy of this Voter's Bill of Rights into the voting booth with you."

EFFECTIVE DATE. This section is effective the day following final enactment, except that the change in clause (3) is effective January 1, 2026.

Sec. 69. Minnesota Statutes 2024, section 204C.09, subdivision 1, is amended to read:

Subdivision 1. **Counting and initialing.** (a) Before the voting begins, at least two election judges must certify the number of ballots delivered to the precinct. Election judges may conduct

this count, presuming that the total count provided for prepackaged ballots is correct. As each package is opened, two judges must count the ballots in the package to ensure that the total count provided for the package is correct. Any discrepancy must be noted on the incident log.

(b) Before the voting begins, or as soon as possible after it begins, at least two election judges shall each initial ~~the backs of all~~ the ballots. The election judges shall not otherwise mark the ballots.

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

Sec. 70. Minnesota Statutes 2024, section 204C.10, is amended to read:

204C.10 POLLING PLACE ROSTER; VOTER SIGNATURE CERTIFICATE; VOTER RECEIPT.

(a) An individual seeking to vote shall sign a polling place roster or voter signature certificate which states that the individual:

(1) is at least 18 years old;

(2) is a citizen of the United States;

(3) has maintained residence in Minnesota for 20 days immediately preceding the election;

(4) maintains residence at the address or location shown;

(5) is not under a guardianship in which the court order revokes the individual's right to vote;

(6) has not been found by a court of law to be legally incompetent to vote;

(7) has the right to vote because, if the individual was convicted of a felony, the individual is not currently incarcerated for that conviction;

(8) is registered; and

(9) has not already voted in the election.

The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than $10,000, or both."

(b) At the presidential nomination primary, the polling place roster must also state: "I am in general agreement with the principles of the party for whose candidate I intend to vote." This statement must appear separately from the statements required in paragraph (a). The felony penalty provided for in paragraph (a) does not apply to this paragraph.

(c) A judge may, before the applicant signs the roster or voter signature certificate, confirm the applicant's name, address, and date of birth.

(d) After the applicant signs the roster or voter signature certificate, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

(e) Whenever a challenged status appears on the polling place roster, an election judge must ensure that the challenge is concealed or hidden from the view of any voter other than the voter whose status is challenged.

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

Sec. 71. Minnesota Statutes 2024, section 204C.15, subdivision 2, is amended to read:

Subd. 2. **Outside the polling place.** An individual who is unable to enter a polling place ~~where paper ballots or an electronic voting system are used~~ may register or update the voter's registration and vote without leaving a motor vehicle. Upon request of the voter, two election judges who are members of different major political parties ~~shall~~ must assist the voter to register or to update a registration, as applicable, and to complete a voter's certificate and ~~shall~~ must provide the necessary ballots. The voter may request additional assistance in marking ballots as provided in subdivision 1.

Sec. 72. Minnesota Statutes 2024, section 204C.15, subdivision 3, is amended to read:

Subd. 3. **Voting lines.** In all polling places, upon request of the voter, two election judges ~~shall~~ must assist a ~~disabled~~ voter with a disability to enter the polling place and go through the ~~registration and voting lines~~ lines to register to vote or update the voter's registration, as applicable, and to vote. The voter may also request the assistance of election judges or any other individual in marking ballots, as provided in subdivision 1.

Sec. 73. Minnesota Statutes 2024, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements ~~shall~~ must be submitted by the election judges in every precinct. For all elections, the election judges ~~shall~~ must complete three or more copies of the summary statements, and each copy ~~shall~~ must contain the following information for each kind of ballot:

(1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;

(2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;

(3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;

(4) the number of voted ballots indicating only a voter's choices as provided by section 206.80, paragraph (b), clause (2), item (ii), in precincts that use an assistive voting device that produces this type of ballot;

(5) the number of individuals who voted at the election in the precinct which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;

(6) the number of voters registering or updating registrations on election day in that precinct;

(7) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question;

(8) the number of election judges that worked in that precinct on election day; and

(9) the number of voting booths used in that precinct on election day.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 74. Minnesota Statutes 2024, section 204C.32, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board ~~shall~~ must meet at the county auditor's office on either the second or third day following the state primary. After taking the oath of office, the canvassing board ~~shall~~ must publicly canvass the election returns delivered to the county auditor. The board ~~shall~~ must complete the canvass by the third day following the state primary and ~~shall~~ must promptly prepare and file with the county auditor a report that states:

(a) the number of individuals voting at the election in the county, and in each precinct;

(b) for each precinct, the number of individuals registering to vote or updating registrations on election day and the number of individuals who were registered before election day ~~in each precinct~~ and did not need to update the voter's registration;

(c) for each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;

(d) the names of the candidates of each major political party who are nominated; and

(e) the number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor ~~shall~~ must mail or deliver a notice of nomination to each nominee for county office voted for only in that county. The county auditor ~~shall~~ must transmit one of the certified copies of the county canvassing board report for state and federal offices to the secretary of state by express mail or similar service immediately upon conclusion of the county canvass. The secretary of state ~~shall~~ must mail a notice of nomination to each nominee for state or federal office.

Sec. 75. Minnesota Statutes 2024, section 204C.33, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board ~~shall~~ must meet at the county auditor's office between the third and eighth days following the state general election. After taking the oath of office, the board ~~shall~~ must promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board ~~shall~~ must promptly prepare and file with the county auditor a report which states:

(a) the number of individuals voting at the election in the county and in each precinct;

(b) for each precinct, the number of individuals registering to vote or updating registrations on election day and the number of individuals who were registered before election day ~~in each precinct~~ and did not need to update the voter's registration;

(c) the names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;

(d) the number of votes counted for and against a proposed change of county lines or county seat; and

(e) the number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.

The result of write-in votes cast on the general election ballots must be compiled by the county auditor before the county canvass, except that write-in votes for a candidate for federal, state, or county office must not be counted unless the candidate has timely filed a request under section 204B.09, subdivision 3. The county auditor ~~shall~~ must arrange for each municipality to provide an adequate number of election judges to perform this duty or the county auditor may appoint additional election judges for this purpose. The county auditor may open the envelopes or containers in which the voted ballots have been sealed in order to count and record the write-in votes and must reseal the voted ballots at the conclusion of this process. The county auditor must prepare a separate report of votes received by precinct for write-in candidates for federal, state, and county offices who have requested under section 204B.09 that votes for those candidates be tallied.

Upon completion of the canvass, the county canvassing board ~~shall~~ must declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor ~~shall~~ must transmit a certified copy of the county canvassing board report for state and federal offices to the secretary of state by messenger, express mail, or similar service immediately upon conclusion of the county canvass.

Sec. 76. Minnesota Statutes 2024, section 205.07, is amended by adding a subdivision to read:

Subd. 4. **Election judges; party balance.** The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2, paragraphs (b) to (f); 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to a city election not held in conjunction with a state or federal election.

Sec. 77. Minnesota Statutes 2024, section 205.075, subdivision 4, is amended to read:

Subd. 4. **Election judges; party balance.** The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2, paragraphs (b) to (f); 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to a town election not held in conjunction with a ~~statewide~~ state or federal election.

Sec. 78. Minnesota Statutes 2024, section 205.13, subdivision 1, is amended to read:

Subdivision 1. **Affidavit of candidacy.** (a) An individual who is eligible and desires to become a candidate for an office to be voted for at the municipal general election shall file an affidavit of candidacy with the municipal clerk. Candidates for a special election to fill a vacancy held as provided in section 412.02, subdivision 2a, must file an affidavit of candidacy for the specific office to fill the unexpired portion of the term. Subject to the approval of the county auditor, the town clerk may authorize candidates for township offices to file affidavits of candidacy with the county auditor. The affidavit shall be in the same form as that in section 204B.06. The municipal clerk shall also accept an application signed by not less than five voters and filed on behalf of an eligible voter in the municipality whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

(b) The municipal clerk shall notify the official responsible for preparing the ballot of the names of the candidates placed on the ballot, any changes to candidates, and other information necessary to prepare the ballot. The notification must be made within one business day of receiving the filing or change or immediately following the close of the filing period, whichever is sooner, unless the clerk and official agree to an alternative notification timeline.

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

Sec. 79. Minnesota Statutes 2024, section 205.13, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In a city nominating candidates at a primary, an affidavit of candidacy for a city office voted on in November must be filed no more than 84 days nor less than 70 days before the city primary. In municipalities that do not hold a primary, an affidavit of candidacy must be filed no more than 70 days and not less than 56 days before the municipal general election held in March in any year, or a special election not held in conjunction with another election, and no more than ~~98~~ 112 days nor less than ~~84~~ 98 days before the municipal general election held in November of any year. The municipal clerk's office must be open for filing from 1:00 p.m. to 5:00 p.m. on the last day of the filing period.

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

Sec. 80. Minnesota Statutes 2024, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the third and ~~tenth~~ 14th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each municipal office and the results of ~~the~~

~~election~~ any ballot questions. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and shall declare the candidate duly elected who received the highest number of votes for each town office and the results of ~~the election~~ any ballot question within two days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

Sec. 81. Minnesota Statutes 2024, section 205A.06, subdivision 1, is amended to read:

Subdivision 1. **Affidavit of candidacy.** (a) An individual who is eligible and desires to become a candidate for an office to be voted on at the election must file an affidavit of candidacy with the school district clerk. The affidavit must be in the form prescribed by section 204B.06. The school district clerk shall also accept an application signed by at least five voters and filed on behalf of an eligible voter in the school district whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. No individual shall be nominated by nominating petition for a school district elective office. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

(b) The school district clerk shall notify the official responsible for preparing the ballot of the names of the candidates placed on the ballot, any changes to candidates, and other information necessary to prepare the ballot. The notification must be made within one business day of receiving the filing or change or immediately following the close of the filing period, whichever is sooner, unless the clerk and official agree to an alternative notification timeline.

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

Sec. 82. Minnesota Statutes 2024, section 205A.06, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In school districts that have adopted a resolution to choose nominees for school board by a primary election, affidavits of candidacy must be filed with the school district clerk no earlier than the 84th day and no later than the 70th day before the second Tuesday in August in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed no earlier than the ~~98th~~ 112th day and no later than the ~~84th~~ 98th day before the school district general election.

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

Sec. 83. Minnesota Statutes 2024, section 205A.10, subdivision 2, is amended to read:

Subd. 2. **Election, conduct.** A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The

vote totals from a ballot board established pursuant to section 203B.121 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2, paragraphs (b) to (f); 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a ~~statewide~~ state or federal election.

Sec. 84. Minnesota Statutes 2024, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the third and ~~tenth~~ 14th days after a school district election ~~other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59~~, the school board shall canvass the returns and declare the candidate duly elected who received the highest number of votes for each school district office and the results of ~~the election~~ any ballot question. The recounted results of a referendum conducted under section 126C.17, subdivision 9, or 475.59, must be certified by the canvassing board. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

Sec. 85. Minnesota Statutes 2024, section 205A.11, subdivision 2, is amended to read:

Subd. 2. **Combined polling place.** (a) When no other election is being held in a school district, the school board may designate combined polling places at which the voters in those precincts may vote in the school district election.

(b) By December 31 of each year, the school board must designate, by resolution, any changes to combined polling places. The combined polling places designated in the resolution are the polling places, unless a change is made in accordance with this paragraph or:

(1) pursuant to section 204B.175; or

(2) because a polling place has become unavailable.

(c) If the school board designates combined polling places pursuant to this subdivision, polling places must be designated throughout the district, taking into account both geographical distribution

and population distribution. A combined polling place must be at a location designated for use as a polling place by a county or municipality, except as provided in this paragraph. If the municipality conducts elections by mail balloting pursuant to section 204B.45, the school board may designate a polling place not used by the municipality if the polling place satisfies the requirements in section 204B.16, subdivisions 4 to 7.

(d) In school districts that have organized into separate board member election districts under section 205A.12, a combined polling place for a school general election must be arranged so that it does not include more than one board member election district.

Sec. 86. Minnesota Statutes 2024, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

At least three days before voting equipment is used, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least ~~two~~ five days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots ~~punched or~~ marked to record a predetermined number of valid votes for each candidate and on each question in the contest, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

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

Sec. 87. Minnesota Statutes 2024, section 368.47, is amended to read:

368.47 TOWNS MAY BE DISSOLVED.

(1) When the voters residing within a town have failed to elect any town officials for more than ten years continuously;

(2) when a town has failed for a period of ten years to exercise any of the powers and functions of a town;

(3) when the estimated market value of a town drops to less than $165,000;

(4) when the tax delinquency of a town, exclusive of taxes that are delinquent or unpaid because they are contested in proceedings for the enforcement of taxes, amounts to 12 percent of its market value; or

(5) when the state or federal government has acquired title to 50 percent of the real estate of a town,

which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare the town, naming it, dissolved and no longer entitled to exercise any of the powers or functions of a town.

In Cass, Itasca, and St. Louis Counties, before the dissolution is effective the voters of the town shall express their approval or disapproval. The town clerk shall, upon a petition signed by a majority of the registered voters of the town, filed with the clerk at least ~~60~~ 84 days before a regular or special town election, give notice at the same time and in the same manner of the election that the question of dissolution of the town will be submitted for determination at the election. ~~At the election the question shall be voted upon by a separate ballot.~~ The form of the question under this chapter shall be substantially in the following form: "Shall the town of ... be dissolved?" ~~The ballot shall be deposited in a separate ballot box and~~ The result of the voting canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election are for dissolution, the town shall be dissolved. If a majority of the votes cast at the election are against dissolution, the town shall not be dissolved.

When a town is dissolved under sections 368.47 to 368.49 the county shall acquire title to any telephone company or other business conducted by the town. The business shall be operated by the board of county commissioners until it can be sold. The subscribers or patrons of the business shall have the first opportunity of purchase. If the town has any outstanding indebtedness chargeable to the business, the county auditor shall levy a tax against the property situated in the dissolved town to pay the indebtedness as it becomes due.

Sec. 88. Minnesota Statutes 2024, section 375.20, is amended to read:

375.20 BALLOT QUESTIONS.

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "Shall (here state the substance of the resolution to be submitted)?, Yes ..... No.....,". The county board may call a special county election upon a question to be held within ~~74~~ 84 days after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 89. Minnesota Statutes 2024, section 414.09, subdivision 3, is amended to read:

Subd. 3. **Elections of municipal officers.** (a) An order approving an incorporation or consolidation pursuant to this chapter, or an order requiring an election under section 414.031, subdivision 4a, shall set a date for an election of new municipal officers ~~not less than 45 days nor~~

~~more than 60 days after the issuance of such order~~ in accordance with the uniform election dates defined in section 205.10, subdivision 3a.

(b) The chief administrative law judge shall appoint an acting clerk for election purposes, at least three election judges who shall be residents of the new municipality, and shall designate polling places within the new municipality.

(c) The acting clerk shall prepare the official election ballot pursuant to section 205.17.

(d) Any person eligible to hold municipal office may file an affidavit of candidacy ~~not more than four weeks nor less than two weeks before the date designated in the order for the election~~ pursuant to section 205.13.

(e) The election shall be conducted in conformity with the charter and the laws for conducting municipal elections insofar as applicable.

(f) Any person eligible to vote at a township or municipal election within the area of the new municipality, is eligible to vote at such election.

(g) Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

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

Sec. 90. Minnesota Statutes 2024, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** (a) A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate maintains residence. The affidavit of candidacy must be filed with the city or town clerk not more than ~~98~~ 112 days nor less than ~~84~~ 98 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

(b) Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

(c) Between the third and 14th days after an election, the board must act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each hospital district office and the results of any ballot questions.

(d) After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2026.

Sec. 91. **TRANSITION TO NEW VOTER REGISTRATION APPLICATIONS; ABSENTEE BALLOT APPLICATIONS.**

(a) Notwithstanding the requirements of section 10, a completed voter registration application submitted by a voter is not deficient for purposes of registering that voter if the application form was printed or provided to the voter prior to July 1, 2025. On or after July 1, 2025, an election official must not print or copy a blank voter registration application that does not include the modifications required by section 10. An election official may distribute copies of registration applications that were printed prior to the effective date.

(b) Notwithstanding the requirements of section 25, a completed absentee ballot application submitted by a voter is not deficient for purposes of applying for an absentee ballot if the application was printed or provided to the voter prior to July 1, 2025. On or after July 1, 2025, an election official must not print, copy, or distribute a blank absentee ballot application that does not include the modifications required by section 25.

Sec. 92. **REPEALER.**

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

Sec. 93. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective July 1, 2025."

Delete the title and insert:

"A bill for an act relating to elections; relating to campaign finance; modifying various laws related to election administration; modifying absentee voting requirements and procedures; modifying timelines; modifying provisions related to voter registration; amending notice provisions; modifying requirements relating to appointing election judges; formalizing the election reporting system; clarifying terminology; expanding laws relating to reprisals for political activity; expanding election-related bribery and solicitation prohibitions; amending fair campaign practices laws; requiring the Campaign Finance and Public Disclosure Board to study campaign spending limits; modifying the definition of expressly advocating; modifying campaign disclaimer requirements; establishing and modifying disclaimer requirements; amending standards for coordinated and

noncoordinated expenditures and disbursements; requiring reports and publications; modifying laws on transition expenses; modifying requirements for charter school boards of directors and charter school chief administrators; requiring all local officials and charter school officials to file statements of economic interest; modifying campaign finance definitions; modifying campaign finance reporting requirements; modifying statement of economic interest requirements; modifying payment for the presidential nomination primary; modifying requirements for holding the presidential nomination primary; amending statement of economic interest requirements; providing for a civil causes of action and civil enforcement; providing criminal and civil penalties; authorizing rulemaking; repealing the voting equipment grant account; transferring and appropriating money; amending Minnesota Statutes 2024, sections 10A.01, subdivisions 16a, 18, 21, 24, 26, 35, by adding a subdivision; 10A.04, subdivision 4; 10A.07, subdivisions 1, 2; 10A.08, subdivision 1; 10A.09, subdivisions 1, 5, 5a, 6a; 10A.175, by adding a subdivision; 10A.176; 10A.177; 10A.20, by adding a subdivision; 10A.201, subdivision 6; 10A.202, subdivision 4; 10A.36; 124E.03, by adding a subdivision; 201.054, subdivisions 1, 2; 201.056; 201.061, subdivisions 1, 3, 3a, 4, 5, 7; 201.071, subdivisions 1, 4; 201.091, subdivisions 5, 8; 201.121, subdivisions 1, 3; 201.13, subdivision 3; 201.14; 201.161, subdivisions 4, 5, 8; 201.162; 201.225, subdivisions 2, 5; 201.275; 202A.20, subdivision 2; 203B.04, subdivisions 1, 4; 203B.05, subdivision 1; 203B.06, subdivision 4; 203B.07, subdivisions 1, 3; 203B.08, subdivisions 1, 3; 203B.081, subdivision 4; 203B.11, subdivision 1; 203B.121, subdivisions 2, 4, 5; 203B.17, subdivision 3; 203B.23, subdivision 2; 203B.29, subdivisions 1, 2; 203B.30, subdivisions 2, 3; 204B.06, subdivisions 1, 1b; 204B.07, subdivision 2; 204B.09, subdivisions 1a, 2, 3; 204B.14, subdivisions 2, 4a; 204B.16, subdivision 1a; 204B.175, subdivision 3; 204B.21, subdivisions 1, 2, by adding a subdivision; 204B.24; 204B.25, subdivision 3; 204B.28, subdivision 2; 204B.44; 204B.45, subdivision 2; 204C.05, subdivision 2; 204C.06, subdivisions 1, 2, 6; 204C.08, subdivision 1d; 204C.09, subdivision 1; 204C.10; 204C.15, subdivisions 2, 3; 204C.24, subdivision 1; 204C.32, subdivision 1; 204C.33, subdivision 1; 205.07, by adding a subdivision; 205.075, subdivision 4; 205.13, subdivisions 1, 1a; 205.185, subdivision 3; 205A.06, subdivisions 1, 1a; 205A.10, subdivisions 2, 3; 205A.11, subdivision 2; 206.83; 207A.11; 211A.02, subdivisions 1, 2; 211B.04, subdivisions 1, 2, 3, 5, by adding a subdivision; 211B.13; 211B.32, subdivisions 1, 4; 211B.35, subdivision 2; 368.47; 375.20; 383B.041, subdivision 5; 414.09, subdivision 3; 447.32, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 5; 6; 8; 10A; 204B; 207A; 211B; repealing Minnesota Statutes 2024, sections 206.57, subdivision 5b; 206.95; 209.06; 211B.04, subdivision 4; 211B.06; 211B.08; Minnesota Rules, parts 4503.2000, subpart 2; 4511.1100."

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 referred

S.F. No. 3045: A bill for an act relating to state government; establishing a code of ethics for the legislative branch; allowing payment withholding if credible allegation of fraud; granting authority to share data regarding fraud in public programs; providing for renewable energy improvement and storage projects and EVSE projects; modifying insulin repayment account provisions; appropriating money; amending Minnesota Statutes 2024, sections 3A.03, subdivision 1; 13.02, subdivisions 7a, 16; 13.605, subdivision 1; 16A.28, subdivision 1; 151.741, subdivision 5; 352.04, subdivision 2; 352.92, subdivision 1; 352B.02, subdivision 1a; 353.27, subdivision 2; 353.65, subdivision 2; 353E.03, subdivision 1; 354.42, subdivision 2; 354A.12, subdivision 1; 490.123, subdivision 1a; Laws 2023, chapter 62, article 1, section 13; Laws 2024, chapter 127, article 67, section 6; proposing

coding for new law in Minnesota Statutes, chapters 3; 13; 15; 16B; repealing Minnesota Statutes 2024, section 16A.287.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS

Section 1. **STATE GOVERNMENT AND ELECTIONS 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. **LEGISLATURE**		
Subdivision 1. **Total Appropriation**	**$ 107,228,000**	**$ 113,066,000**
The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is $111,377,000 in fiscal year 2028 and each fiscal year thereafter.		
Subd. 2. **Senate**	38,238,000	39,690,000
Subd. 3. **House of Representatives**	36,922,000	39,985,000
The base for this appropriation is $38,296,000 in fiscal year 2028 and each fiscal year thereafter.		
Subd. 4. **Legislative Coordinating Commission**	32,068,000	33,391,000
Legislative Auditor. $12,076,000 the first year and $12,567,000 the second year are for the Office of the Legislative Auditor.		

Revisor of Statutes. $9,094,000 the first year and $9,466,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. $2,278,000 the first year and $2,369,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. $2,800,000 the first year and $2,965,000 the second year are for the Legislative Budget Office.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR** **$ 9,231,000 $ 9,231,000**

(a) $19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(b) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR** **$ 14,493,000 $ 14,734,000**

Sec. 5. **ATTORNEY GENERAL** **$ 50,135,000 $ 50,432,000**

Appropriations by Fund

	2026	2027
General	46,719,000	47,016,000
State Government Special Revenue	3,021,000	3,021,000
Environmental	145,000	145,000
Remediation	250,000	250,000

The general fund base for this appropriation is $46,657,000 in fiscal year 2029 and each fiscal year thereafter.

Sec. 6. **SECRETARY OF STATE** **$ 10,426,000 $ 10,426,000**

The base for this appropriation is $10,356,000 in fiscal year 2028 and $10,426,000 in fiscal year 2029.

Sec. 7. **STATE BOARD OF INVESTMENT** **$ 139,000 $ 139,000**

Sec. 8. **ADMINISTRATIVE HEARINGS** **$ 11,110,000 $ 11,709,000**

Appropriations by Fund

	2026	2027
General	705,000	715,000
Workers' Compensation	10,405,000	10,994,000

Sec. 9. **INFORMATION TECHNOLOGY SERVICES** **$ 10,939,000 $ 11,150,000**

During the biennium ending June 30, 2027, the Department of Information Technology Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than $400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 10. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$ 37,579,000 $ 38,281,000**

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

Subd. 2. **Government and Citizen Services** 18,310,000 18,117,000

Council on Developmental Disabilities. $222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. $200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Office of Enterprise Translations. $1,010,000 each year is for the Office of Enterprise Translations. $100,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Grants. $250,000 the first year is for a grant to the Minnesota Orchestra for arts education musical performance in the schools of Minnesota. Any unencumbered balance in the first year does not cancel and is available for the second year.

$220,000 the first year is for a grant to History Theatre to perform a play celebrating Hmong arts and culture.

Subd. 3. **Strategic Management Services**	2,676,000	2,716,000
Subd. 4. **Fiscal Agent**	16,593,000	17,448,000

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. $12,139,000 the first year and $12,994,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) $1,550,000 each year is for matching grants for public television.

(b) $250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) $250,000 each year is for block grants to public television under Minnesota Statutes, section 129D.13. Of this amount, up to three percent is for the commissioner of administration to administer the grants.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) $1,242,000 each year is for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. The Association of Minnesota Public Educational Radio Stations may use up to four percent of this appropriation for costs that are directly related to and necessary for the administration of these grants.

(b) $142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, purchase, upgrades of equipment and software, including computer software, applications, firmware, and equipment under $500.

(c) $1,020,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under

Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2025.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Sec. 11. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD** **$ 464,000 $ 472,000**

Sec. 12. **MINNESOTA MANAGEMENT AND BUDGET** **$ 51,688,000 $ 52,709,000**

Sec. 13. **REVENUE**

Subdivision 1. **Total Appropriation** **$ 215,761,000 $ 217,073,000**

Appropriations by Fund	2026	2027
General	211,501,000	212,813,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

The general fund base for this appropriation is $212,297,000 in fiscal year 2028 and $212,197,000 in fiscal year 2029 and each fiscal year thereafter.

Subd. 2. **Tax System Management** 179,976,000 180,553,000

Appropriations by Fund		
General	175,716,000	176,293,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

The general fund base for this appropriation is $175,777,000 in fiscal year 2028 and

$175,677,000 in fiscal year 2029 and each fiscal year thereafter.

Taxpayer Assistance and Tax Credit Outreach Grants. (a) $1,250,000 each year is for taxpayer assistance grants under Minnesota Statutes, section 270C.21, subdivision 3. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) $1,500,000 each year is for tax credit outreach grants under Minnesota Statutes, section 270C.21, subdivision 4.

Subd. 3. **Debt Collection Management**	35,785,000	36,520,000

Sec. 14. **GAMBLING CONTROL**	**$ 6,334,000**	**$ 6,334,000**

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 15. **RACING COMMISSION**	**$ 954,000**	**$ 954,000**

These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 16. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed $45,000,000 in fiscal year 2026 and $45,000,000 in fiscal year 2027.

Sec. 17. **AMATEUR SPORTS COMMISSION**	**$ 401,000**	**$ 411,000**
Sec. 18. **COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE**	**$ 938,000**	**$ 955,000**
Sec. 19. **COUNCIL ON LATINO AFFAIRS**	**$ 829,000**	**$ 841,000**
Sec. 20. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS**	**$ 655,000**	**$ 665,000**

Sec. 21. **COUNCIL ON LGBTQIA2S+ MINNESOTANS**	**$**	**737,000**	**$**	**745,000**
Sec. 22. **INDIAN AFFAIRS COUNCIL**	**$**	**1,381,000**	**$**	**1,402,000**
Sec. 23. **MINNESOTA HISTORICAL SOCIETY**				
Subdivision 1. **Total Appropriation**	**$**	**26,763,000**	**$**	**27,076,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **Operations and Programs**		26,442,000		26,755,000
Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.				
Subd. 3. **Fiscal Agent**		321,000		321,000
(a) Global Minnesota		39,000		39,000
(b) Minnesota Air National Guard Museum		17,000		17,000
(c) Hockey Hall of Fame		100,000		100,000
(d) Farmamerica		115,000		115,000
(e) Minnesota Military Museum		50,000		50,000
Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.				
Sec. 24. **BOARD OF THE ARTS**				
Subdivision 1. **Total Appropriation**	**$**	**7,798,000**	**$**	**7,808,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **Operations and Services**		859,000		869,000
Subd. 3. **Grants Program**		4,800,000		4,800,000
Subd. 4. **Regional Arts Councils**		2,139,000		2,139,000

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. **MINNESOTA HUMANITIES CENTER** **$ 970,000 $ 970,000**

$500,000 each year is for Healthy Eating, Here at Home grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program.

Sec. 26. **BOARD OF ACCOUNTANCY** **$ 873,000 $ 887,000**

Sec. 27. **BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN** **$ 928,000 $ 943,000**

Sec. 28. **BOARD OF COSMETOLOGIST EXAMINERS** **$ 3,659,000 $ 3,716,000**

Sec. 29. **BOARD OF BARBER EXAMINERS** **$ 459,000 $ 466,000**

Sec. 30. **GENERAL CONTINGENT ACCOUNTS** **$ 2,000,000 $ 500,000**

Appropriations by Fund

	2026	2027
General	1,500,000	-0-
State Government Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

(a) The general fund base for this appropriation is $1,500,000 in fiscal year 2026 and each even-numbered fiscal year

thereafter. The base is $0 for fiscal year 2027 and each odd-numbered fiscal year thereafter.

(b) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(c) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(d) If a contingent account appropriation is made in one fiscal year, it shall be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS** **$ 161,000 $ 161,000**

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation** **$ 15,064,000 $ 15,154,000**

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

Subd. 2. **Combined Legislators and Constitutional Officers Retirement Plan** 9,064,000 9,154,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

Subd. 3. **Judges Retirement Plan** 6,000,000 6,000,000

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial

valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION** **$ 25,000,000** **$ 25,000,000**

(a) $9,000,000 each year is for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are $16,000,000 on September 15, 2026, and $16,000,000 on September 15, 2027. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION** **$ 29,831,000** **$ 29,831,000**

The amounts estimated to be needed are as follows:

Special Direct State Aid. $27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. $2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND** **$ 14,827,000** **$ 14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **TRANSFERS; SECRETARY OF STATE.**

Subdivision 1. **VOTER account.** The secretary of state, in consultation with the commissioner of management and budget, must transfer $3,000,000 in fiscal year 2026 and $3,000,000 in fiscal

year 2027 from the general fund to the voting operations, technology, and election resources account established under Minnesota Statutes, section 5.305. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $3,000,000 each year from the general fund to the voting operations, technology, and election resources account, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Subd. 2. **VRA account.** The secretary of state, in consultation with the commissioner of management and budget, must transfer $25,000 in fiscal year 2026 and $25,000 in fiscal year 2027 from the general fund to the Voting Rights Act cost sharing account established under Minnesota Statutes, section 200.60, subdivision 1. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $25,000 each year from the general fund to the Voting Rights Act cost sharing account, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 37. Laws 2023, chapter 62, article 1, section 11, subdivision 2, is amended to read:

Subd. 2. **Government and Citizen Services**	39,928,000	19,943,000

The base for this appropriation is $17,268,000 in fiscal year 2026 and $17,280,000 in fiscal year 2027.

Council on Developmental Disabilities. $222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. $200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Disparity Study. $500,000 the first year and $1,000,000 the second year are to conduct a study on disparities in state procurement. This is a onetime appropriation.

Grants Administration Oversight. $2,411,000 the first year and $1,782,000 the second year are for grants administration oversight. The base for this appropriation in fiscal year 2026 and each year thereafter is $1,581,000.

$735,000 the first year and $201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the

study's recommendation. This is a onetime appropriation.

Risk Management Fund Property Self-Insurance. $12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. $1,306,000 the first year and $1,159,000 the second year are to establish the Office of Enterprise Translations. $250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Capitol Mall Design Framework Implementation. $5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 124. This appropriation is available until ~~December 31, 2024~~ June 30, 2026.

Parking Fund. $3,255,000 the first year and $1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex. These are onetime transfers.

Procurement; Environmental Analysis and Task Force. $522,000 the first year and $367,000 the second year are to implement the provisions of Minnesota Statutes, section 16B.312.

Center for Rural Policy and Development. $100,000 the first year is for a grant to the Center for Rural Policy and Development.

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

Sec. 38. Laws 2023, chapter 62, article 1, section 13, is amended to read:

Sec. 13. **MINNESOTA MANAGEMENT AND BUDGET**	**$**	**55,356,000**	**$**	~~**58,057,000**~~ **56,357,000**

The base for this appropriation is $47,831,000 in fiscal year 2026 and each fiscal year thereafter.

(a) $13,489,000 the first year and $14,490,000 the second year are to stabilize and secure the state's enterprise resource planning systems. This amount is available until June 30, 2027. The base for this appropriation is $6,470,000 in fiscal year 2026 and each fiscal year thereafter.

(b) $1,000,000 each year is for administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

(c) $317,000 each year is to increase the agency's capacity to proactively raise awareness about the capital budget process and provide technical assistance around the requirements associated with the capital budget process and receiving general fund or general obligation bond funding for capital projects, including compliance requirements that must be met at various stages of capital project development, with particular focus on nonprofits, American Indian communities, and communities of color that have traditionally not participated in the state capital budget process. This appropriation may also be used to increase the agency's capacity to coordinate with other state agencies regarding the administration of grant agreements, programs, and technical assistance related to capital projects governed by the provisions of Minnesota Statutes, chapter 16A, and other applicable laws and statutes.

(d) $2,500,000 ~~each~~ in fiscal year ~~is~~ 2024 and $800,000 in fiscal year 2025 are for interagency collaboration to develop data collection standards for race, ethnicity, gender identity, and disability status and to develop a roadmap and timeline for implementation of the data standards across state government. These funds may be

transferred to other agencies to support this work and may be used to update computer systems to accommodate revised data collection standards. This is a onetime appropriation and is available until June 30, 2027.

(e) $102,000 the first year and $60,000 the second year are for the report required under Minnesota Statutes, section 43A.15, subdivision 14a, and for training and content development relating to ADA Title II, affirmative action, equal employment opportunity, digital accessibility, inclusion, disability awareness, and cultural competence.

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

ARTICLE 2

STATE GOVERNMENT POLICY

Section 1. **[1.1466] STATE FOSSIL.**

Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant beaver, or capa in Dakota and amik in Ojibwe, is designated as the official state fossil of the state of Minnesota.

Subd. 2. **Photograph.** A photograph of the giant beaver, approved by the commissioner of natural resources, shall be preserved and may be displayed in the Office of the Secretary of State.

Sec. 2. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial Audits Division ~~and~~, a Program Evaluation Division, and a Special Reviews Division to fulfill the duties prescribed in this section.

(b) Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint an administrative support specialist to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors, and administrative support specialists shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor.

(c) The legislative auditor, deputy auditors, and administrative support specialists shall serve in the unclassified civil service, but all other employees of the legislative auditor shall serve in the classified civil service. Compensation for employees of the legislative auditor in the classified service

shall be governed by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 3.

(d) While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

(e) Notwithstanding section 43A.32, subdivisions 2 and 3, or any other law to the contrary, an employee of the legislative auditor is prohibited from being a candidate for a partisan elected public office.

Sec. 3. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1) fulfill a legal requirement; (2) investigate allegations that an individual or organization subject to audit by the legislative auditor may not have complied with legal requirements, including but not limited to legal requirements related to the use of public money, other public resources, or government data classified as not public; (3) respond to a legislative request for a review of an organization or program subject to audit by the legislative auditor; ~~or~~ (4) investigate allegations that an individual may not have complied with section 43A.38 or 43A.39; or (5) follow up on a prior special review to assess what changes have occurred.

Sec. 4. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial, or information officers~~ (a) An obligated officer of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

(b) For purposes of this subdivision, "obligated officer" means the organization's:

(1) chief executive officer;

(2) deputy and assistant chief executive officers;

(3) chief administrative, chief financial, chief information, and chief investigative officers;

(4) heads of divisions, bureaus, departments, institutes, or other organizational units; and

(5) board chair, where applicable.

Sec. 5. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to read:

Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5), do not apply to contracts entered into by the State Board of Investment related to an investment under this section.

Sec. 6. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A state ~~Office~~ Court of Administrative Hearings is created.

Sec. 7. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066.

(b) The chief administrative law judge may hear cases and, in accordance with chapter 43A, shall appoint a deputy chief judge and additional administrative law judges and compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the ~~Office~~ Court of Administrative Hearings.

(c) The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. The chief administrative law judge is subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial Standards, and the provisions of the Code of Judicial Conduct.

(d) If a vacancy in the position of chief administrative law judge occurs, an acting or temporary chief administrative law judge must be named as follows:

(1) at the end of the term of a chief administrative law judge, the incumbent chief administrative law judge may, at the discretion of the appointing authority, serve as acting chief administrative law judge until a successor is appointed; and

(2) if at the end of a term of a chief administrative law judge the incumbent chief administrative law judge is not designated as acting chief administrative law judge, or if a vacancy occurs in the position of chief administrative law judge, the deputy chief judge shall immediately become temporary chief administrative law judge without further official action.

(e) The appointing authority of the chief administrative law judge may appoint a person other than the deputy chief judge to serve as temporary chief administrative law judge and may replace any other acting or temporary chief administrative law judge designated pursuant to paragraph (d), clause (1) or (2).

Sec. 8. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

Subdivision 1. **Writing required.** Every decision and order rendered by an agency in a contested case shall be in writing, shall be based on the record and shall include the agency's findings of fact and conclusions on all material issues. A decision or order that rejects or modifies a finding of fact, conclusion, or recommendation contained in the report of the administrative law judge required under sections 14.48 to 14.56, or requests remand under subdivision 2b, must include the reasons for each rejection ~~or~~, modification, or request for remand. A copy of the decision and order shall be

served upon each party or the party's representative and the administrative law judge by first class mail.

Sec. 9. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final decision in the case unless the agency modifies ~~or rejects it under~~, rejects, or requests remand pursuant to subdivision 1 within 90 days after the record of the proceeding closes under section 14.61. When the agency fails to act within 90 days on a licensing case, the agency must return the record of the proceeding to the administrative law judge for consideration of disciplinary action. In all contested cases where the report or order of the administrative law judge constitutes the final decision in the case, the administrative law judge shall issue findings of fact, conclusions, and an order within 90 days after the hearing record closes under section 14.61. Upon a showing of good cause by a party or the agency, the chief administrative law judge may order a reasonable extension of either of the two 90-day deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief administrative law judge considers a request for reasonable extension so long as the request was filed and served within the applicable 90-day period.

Sec. 10. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to read:

Subd. 2b. **Agency request for remand.** (a) An agency may request remand of a finding of fact, conclusion of law, or recommendation within 45 days following the close of the hearing record under section 14.61. Upon a showing of good cause by the agency, the chief administrative law judge may consider a request for remand received after the deadline specified in this provision.

(b) The requesting agency must state with specificity the reasons the agency is requesting remand. If the agency requests remand for additional fact finding, the agency must state with specificity that it is requesting remand for further fact finding, identify the issues for which further fact finding is needed, and explain why further fact finding is necessary to facilitate a fair and just final decision.

(c) The chief judge, or their designee, must accept a request for remand within ten business days if:

(1) the agency rejects a recommendation to grant summary disposition;

(2) a party who had procedurally defaulted during the administrative proceedings seeks to participate; and

(3) following remand from the Minnesota Court of Appeals or Minnesota Supreme Court, or identification of a mathematical or clerical error, the agency identifies a need for additional proceedings before the Court of Administrative Hearings.

(d) The chief judge, or their designee, may accept a request for remand within ten business days for other reasons as justice requires and consistent with section 14.001.

(e) When a request for remand is accepted by the chief judge or their designee, the chief judge or their designee must assign an administrative law judge to conduct further proceedings under this chapter on the issues accepted for remand.

Sec. 11. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES OR DATA.**

The commissioner or chief executive officer of each state department, board, commission, office, or other agency must ensure that employee and nonemployee concerns about the misuse of public money, other public resources, or government data are promptly directed to one or more of the obligated officers identified in section 3.971, subdivision 9, or the Office of the Legislative Auditor. The commissioner of management and budget must develop a policy to operationalize and standardize the process under this section across state agencies.

Sec. 12. **[15.442] LOCAL NEWS ORGANIZATION ADVERTISING BY STATE AGENCIES.**

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

(b) "Advertising" means paid communication transmitted via newspaper, magazine, radio, television, social media, Internet, or other electronic means to make any person aware of information relevant to an agency or a program or public awareness campaign operated by an agency.

(c) "Agency" means any board, commission, authority, department, entity, or organization of the executive branch of state government. Agency does not include the Minnesota State Colleges and Universities or the Minnesota Zoo.

(d) "Local news organization" means a print, digital, or hybrid publication, or a broadcast television or radio station, that:

(1) primarily serves the needs of the state of Minnesota or a regional, local, or ethnic community within Minnesota;

(2) primarily has content derived from primary sources relating to news, information, and current events;

(3) employs at least one journalist who resides in Minnesota and who regularly gathers, collects, photographs, records, writes, or reports news or information that concerns local events or other matters of local public interest;

(4) has a known Minnesota-based office of publication or broadcast station where business is transacted during usual business hours with a local telephone number and must list contact information in each updated publication or on their website; and

(5) has not received more than 50 percent of its gross receipts for the previous year from political action committees or other entities described in section 527 of the Internal Revenue Code, or from an organization that maintains section 501(c)(4), 501(c)(5), or 501(c)(6) status under the Internal Revenue Code.

Subd. 2. **State agency advertising.** Agencies are encouraged to direct advertising spending toward local news organizations when practicable and in support of the agency's advertising goals.

Advertising primarily targeted at out-of-state residents is not subject to this section. Nothing in this section prevents a state agency from contracting with outside vendors to conduct advertising work.

Subd. 3. **Transparency.** By February 1, 2026, and each year thereafter, all agencies must publish the following information on their website for the previous fiscal year:

(1) the total advertising spending by the agency;

(2) the total percentage of advertising spending in local news organizations; and

(3) the total percentage of advertising spending in local newspapers.

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

Sec. 13. Minnesota Statutes 2024, section 16A.152, subdivision 8, is amended to read:

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management and budget shall develop and annually review a methodology for evaluating the adequacy of the budget reserve based on the volatility of Minnesota's general fund tax structure. The review must take into consideration relevant statistical and economic literature. After completing the review, the commissioner may revise the methodology if necessary. The commissioner must use the methodology to annually estimate the percentage of the current biennium's general fund nondedicated revenues recommended as a budget reserve.

(b) By ~~September~~ October 30 of each year, the commissioner shall report the percentage of the current biennium's general fund nondedicated revenue that is recommended as a budget reserve to the chairs and ranking minority members of the senate Committee on Finance, the house of representatives Committee on Ways and Means, and the senate and house of representatives Committees on Taxes. The report must also specify:

(1) whether the commissioner revised the recommendation as a result of significant changes in the mix of general fund taxes or the base of one or more general fund taxes;

(2) whether the commissioner revised the recommendation as a result of a revision to the methodology; and

(3) any additional appropriate information.

Sec. 14. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the 21st Century Assistive Technology Act, as provided by Public Law ~~108-364, as amended~~ 117-263. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. After the governor has completed the appointments required by this

subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

(1) State Services for the Blind who has assistive technology expertise;

(2) vocational rehabilitation services who has assistive technology expertise;

(3) the Workforce Development Board; ~~and~~

(4) the Department of Education who has assistive technology expertise~~.~~; and

(5) the Board on Aging.

Sec. 15. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

(1) capital projects needed to comply with the Americans with Disabilities Act;

(2) asset preservation projects to which section 16B.307 applies;

(3) projects funded by an agency's operating budget; or

(4) projects funded by a capital asset preservation and replacement account under section 16A.632, a higher education asset preservation and replacement account under section 135A.046, or a natural resources asset preservation and replacement account under section 84.946.

Sec. 16. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each agency shall reimburse the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs.

(b) The commissioner of administration shall report the rates to be charged for the general services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration.

(c) The commissioner of management and budget shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

(d) All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and management and budget, must be transferred to the general fund.

Sec. 17. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the enterprise fleet is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the enterprise fleet any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

(4) the Financial Institutions Division and investigative staff of the Department of Commerce;

(5) the Division of Disease Prevention and Control of the Department of Health;

(6) the State Lottery;

(7) criminal investigators of the Department of Revenue;

(8) state-owned community service facilities in Direct Care and Treatment;

(9) the Office of the Attorney General;

(10) the investigative staff of the Gambling Control Board; ~~and~~

(11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g~~.~~; and

(12) the Office of Ombudsman for Long-Term Care.

Sec. 18. **[16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE; ELECTRIC VEHICLE ACCOUNT.**

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

(b) "Energy storage" means the predesign, design, acquisition, construction, or installation of technology which stores and delivers electric or thermal energy.

(c) "EVSE" means electric vehicle service equipment, including charging equipment and associated infrastructure and site upgrades.

(d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and the same sources in thermal energy.

(e) "Renewable energy improvement" means the predesign, design, acquisition, construction, or installation of a renewable energy production system or energy storage equipment or system, and associated infrastructure and facilities, that is designed to result in a demand-side net reduction in energy use by the state building's electrical, heating, ventilating, air-conditioning, or hot water systems.

(f) "State agency" has the definition given in section 13.02, subdivision 17, or the designated definition given in section 15.01 and includes the Office of Higher Education, Housing Finance Agency, Pollution Control Agency, and Bureau of Mediation Services. State agency includes agencies, boards, commissions, committees, councils, and authorities as defined in section 15.012.

(g) "State building" means a building or facility owned by the state of Minnesota.

Subd. 2. **Account established.** A state building renewable energy, storage, and electric vehicle account is established in the special revenue fund to provide funds to state agencies to:

(1) design, construct, and equip renewable energy improvement and renewable energy storage projects at state buildings;

(2) purchase state fleet electric vehicles in accordance with section 16C.135;

(3) purchase and install EVSE and related infrastructure; and

(4) carry out management of the program by the commissioner.

Subd. 3. **Account management.** The commissioner shall manage and administer the state building renewable energy, storage, and electric vehicle account.

Subd. 4. **Accepting funds.** (a) The commissioner shall be responsible for making application to the federal government on behalf of the state of Minnesota for state projects eligible for elective payments under sections 6417 and 6418 of the Internal Revenue Code, as added by Public Law 117-169, 136 Statute 1818, the Inflation Reduction Act of 2022.

(b) The commissioner may apply for, receive, and expend money made available from federal, state, or other sources for the purposes of carrying out the duties in this section.

(c) Notwithstanding section 16A.72, all funds received under this subdivision are deposited into the state building renewable energy, storage, and electric vehicle account and appropriated to the commissioner for the purposes of subdivision 2 and as permitted under this section.

(d) Money in the state building renewable energy, storage, and electric vehicle account does not cancel and is available until expended.

Subd. 5. **Applications.** A state agency applying for state building renewable energy, storage, EVSE, and electric fleet vehicle funds must submit an application to the commissioner on a form, in the manner, and at the time prescribed by the commissioner.

Subd. 6. **Treatment of certain payments received from federal government.** (a) Federal payments received for eligible renewable energy improvement and storage projects, and EVSE projects, made with appropriations from general obligation bonds, may be transferred to the state bond fund, if consistent with federal treasury regulations.

(b) Federal payments received for eligible electric fleet vehicle purchases by the Department of Administration's fleet division must be transferred to the motor pool revolving account established in section 16B.54, subdivision 8.

(c) Federal payments received for eligible electric fleet vehicle purchases made directly by a state agency shall be transferred to the fund from which the purchase was made.

(d) When obligated to fulfill financing agreements, federal payments received for eligible renewable energy improvements shall be transferred to the appropriate agency.

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

Sec. 19. Minnesota Statutes 2024, section 16B.97, subdivision 1, is amended to read:

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

~~A grant agreement is~~ (1) "grant agreement" means a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency~~.~~; and

(2) "grantee" means a potential or current recipient of a state-issued grant.

(b) This section does not apply to general obligation grants as defined by section 16A.695 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642, all of which are subject to the policies and procedures adopted by the commissioner of management and budget and other requirements specified in applicable law.

Sec. 20. Minnesota Statutes 2024, section 16B.98, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree ~~to minimize~~ that administrative costs must be necessary and reasonable. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and also capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 21. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants is ~~encouraged~~ required to report the violation or suspected violation to the employee's supervisor, the commissioner or the commissioner's designee, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Sec. 22. Minnesota Statutes 2024, section 16B.981, subdivision 4, is amended to read:

Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee ~~30 business~~ 15 calendar days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision ~~with the agency and the applicant's options~~ under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 ~~business~~ calendar days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~ The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

Sec. 23. Minnesota Statutes 2024, section 16B.991, subdivision 2, is amended to read:

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or performance under the grant agreement is not in the best interests of the state.

Sec. 24. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to read:

Subd. 8. **Unenforceable terms.** (a) A contract entered into by the state shall not contain a term that:

(1) requires the state to defend, indemnify, or hold harmless another person or entity, unless specifically authorized by statute;

(2) binds a party by terms and conditions that may be unilaterally changed by the other party;

(3) requires mandatory arbitration;

(4) attempts to extend arbitration obligations to disputes unrelated to the original contract;

(5) construes the contract in accordance with the laws of a state other than Minnesota;

(6) obligates state funds in subsequent fiscal years in the form of automatic renewal as defined in section 325G.56; or

(7) is inconsistent with chapter 13, the Minnesota Government Data Practices Act.

(b) If a contract is entered into that contains a term prohibited in paragraph (a), that term shall be void and the contract is enforceable as if it did not contain that term.

(c) The commissioner shall post a copy of this section on its website.

Sec. 25. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

Subd. 2. ~~**Report**~~ **Evaluation.** (a) The commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments, must evaluate the goals and directives established in this section and ~~report~~ include their findings ~~to the governor and the appropriate committees of the legislature by February 1 of each odd-numbered year~~ in the public dashboard under section 16B.372. In the ~~report~~ public dashboard, the commissioner must make recommendations for new or adjusted goals, directives, or legislative initiatives, in light of the progress the state has made implementing this section and the availability of new or improved technologies.

(b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Sec. 26. Minnesota Statutes 2024, section 16C.16, subdivision 2, is amended to read:

Subd. 2. **Small business.** The commissioner shall adopt the size standards for ~~"small business" found in Code of Federal Regulations, title 49, section 26.65,~~ a small business for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142, provided that the business has its principal place of business in Minnesota. The commissioner may use the definition for "small business" in the Code of Federal Regulations, title 49, section 26.65, or may adopt another standard.

Sec. 27. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a 12 percent preference for specified goods or services to small targeted group businesses.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.~~

Sec. 28. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a 12 percent preference, but no less than the percentage awarded to any other group under this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.~~

(e) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(f) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 29. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to a 12 percent preference on state procurement to small businesses located in an economically disadvantaged area.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner determines that at least three small businesses located in an economically disadvantaged area are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.~~

(e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 30. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds $100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 31. Minnesota Statutes 2024, section 43A.231, subdivision 3, is amended to read:

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023. For subsequent procurements, if the commissioner intends to separate prescription drug benefit and pharmacy benefit management services into multiple vendors or intends to fold prescription drug benefits into the overall medical benefit, rather than a single full-service pharmacy benefit manager, this section shall not apply.

(b) For the contract effective January 1, 2023, the commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager and use a reverse auction for procurement of subsequent pharmacy benefit manager contracts as provided in subdivision 5, paragraph (b).

(c) In consultation with the technology platform vendor selected under subdivision 4, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager who submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of a contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a fee per prescription to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

(i) The joint labor-management committee on health plans shall assist in the process through which the commissioner conducts the reverse auction, evaluation, and comparison of the competing pharmacy benefit manager bids for award of the contract.

Sec. 32. Minnesota Statutes 2024, section 43A.231, subdivision 4, is amended to read:

Subd. 4. **Technology platform.** (a) ~~At least three months before the reverse auction process is scheduled to be completed,~~ The commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the following capabilities to ensure optimal performance of the reverse auction and security of data:

(1) host and conduct an online automated reverse auction:

(i) using a software application and high-performance data infrastructure to intake, cleanse, and normalize pharmacy benefit manager data; and

(ii) with development methods and information security standards that have been validated by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards and Technology certification;

(2) automate repricing of diverse and complex pharmacy benefit manager prescription drug pricing proposals to enable direct comparisons of the price of bids using all annual claims data available for the program using code-based classification or prescription drugs from nationally accepted drug sources;

(3) simultaneously evaluate~~, within six hours,~~ diverse and complex multiple proposals from full-service pharmacy benefit managers that shall include at least guaranteed net cost, Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out services providers; and

(4) produce an automated report and analysis of bids, including ranking of bids on the comparative costs and qualitative aspects of the costs ~~within six hours~~ after the close of each round of reverse auction bidding~~; and~~.

~~(5) after the close of the reverse auction process, perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims within six hours of receipt that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction.~~

(c) The commissioner may require additional capabilities or more rigorous standards than those specified in paragraph (b).

(d) The commissioner shall not award the platform technology vendor contract under this subdivision to:

(1) a pharmacy benefit manager;

(2) a subsidiary or affiliate of a pharmacy benefit manager; or

(3) a vendor who is managed by a pharmacy benefit manager or who receives, directly or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into a contractual relationship with a pharmacy benefit manager.

(e) ~~The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).~~ The commissioner shall also hire a vendor to perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction. The claim review vendor and the platform vendor may be the same or they may be distinct.

Sec. 33. Minnesota Statutes 2024, section 43A.231, subdivision 6, is amended to read:

Subd. 6. **Data protections.** The commissioner of management and budget may only enter into an agreement with ~~a technology platform vendor~~ vendors under this section if the ~~agreement provides~~ agreements provide privacy protections for data collected and maintained by the ~~technology platform vendor~~ vendors, including:

(1) procedures for the prevention of unauthorized access or use;

(2) a prohibition on the sale of data collected and maintained as provided in the agreement; and

(3) a prohibition on dissemination of data unless authorized by state or federal law or the agreement.

Sec. 34. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the retiree's death.

(d) A spouse of a person eligible under paragraph (a) who is a dependent under the retired employee's coverage may purchase the coverage listed in this subdivision if the retired employee loses eligibility for coverage because the retired employee enrolls in medical assistance under chapter 256B and has a disability that meets the categorical eligibility requirements of the Supplemental Security Income program.

~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or

preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 35. Minnesota Statutes 2024, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of ~~one~~ two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund, to support racehorse adoption, retirement, and repurposing, and promote horse breeding in Minnesota.

Sec. 36. Minnesota Statutes 2024, section 349A.01, is amended by adding a subdivision to read:

Subd. 13a. **Responsible lottery official.** "Responsible lottery official" means an officer, director, or owner of an organization, firm, partnership, or corporation that have oversight of lottery ticket sales.

Sec. 37. Minnesota Statutes 2024, section 349A.06, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) The director may not contract with a ~~retailer~~ sole proprietor to be a lottery retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes $500 or more in delinquent taxes as defined in section 270C.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(5) is a member of the immediate family, residing in the same household, as the director or any employee of the lottery;

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(7) is a currency exchange, as defined in section 53A.01.

~~A contract entered into before August 1, 1990, which violates clause (7) may continue in effect until its expiration but may not be renewed.~~

(b) The director may not contract with an organization, firm, partnership, or corporation to be a lottery retailer that:

(1) has a responsible lottery official who: (i) is under the age of 18; (ii) owes $500 or more in delinquent taxes as defined in section 270C.72; or (iii) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(2) ~~An organization, firm, partnership, or corporation that~~ has a stockholder who owns more than five percent of the business or the stock of the corporation, a responsible lottery official, an officer, or a director, ~~that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section~~ who is a member of the immediate family of, or resides in the same household as, the director or any employee of the lottery;

(3) is in business solely as a seller of lottery tickets;

(4) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(5) is a currency exchange, as defined in section 53A.01.

~~(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.~~

Sec. 38. Minnesota Statutes 2024, section 349A.06, subdivision 4, is amended to read:

Subd. 4. **Criminal history.** (a) Upon the director's request, an applicant for a lottery retailer contract must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and required fees to the director or the Bureau of Criminal Apprehension. Upon receipt of this information, the director must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

(b) After receiving this information, the bureau must conduct a Minnesota criminal history records check of the individual. The bureau is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and national criminal history records checks to the director to determine the individual's compliance with the requirements of subdivision 2.

(c) The director shall request a Minnesota and national criminal history check for any sole proprietor or responsible lottery official who applies to be a lottery retailer who (1) has not undergone a check under this section within the past seven years or (2) has had any lapse in its contracts to sell lottery tickets.

(d) The director may request the director of alcohol and gambling enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section. The director has access to all criminal history data compiled by the director of alcohol and gambling enforcement and the Bureau of Criminal Apprehension on (1) any person holding or applying for a retailer contract, (2) any person holding a lottery vendor contract or who has submitted a bid on such a contract, and (3) any person applying for employment with the lottery.

Sec. 39. Minnesota Statutes 2024, section 349A.06, subdivision 11, is amended to read:

Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a) The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) ~~has~~ is a sole proprietor or has a responsible lottery official who has been convicted of a felony or gross misdemeanor in any jurisdiction in the United States;

(2) ~~has~~ is a sole proprietor or has a responsible lottery official who has committed ~~fraud, misrepresentation, or deceit~~ any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(3) has provided false or misleading information to the lottery; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Office of Administrative Hearings" to "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The revisor of statutes shall also change the term "office" to "court" wherever the term "office" appears and refers to the Office of Administrative Hearings in Minnesota Statutes.

Sec. 41. **REPEALER.**

Subdivision 1. **Political and campaign provisions.** Minnesota Statutes 2024, sections 211B.06; and 211B.08, are repealed.

Subd. 2. **Model ordinance for outdoor lighting.** Minnesota Statutes 2024, section 16B.328, subdivision 2, is repealed.

Subd. 3. **Reorganization services under master contract.** Minnesota Statutes 2024, section 16C.36, is repealed.

Subd. 4. **Legislative auditor.** Minnesota Statutes 2024, section 16B.45, is repealed.

ARTICLE 3

STATE PERSONNEL MANAGEMENT

Section 1. Minnesota Statutes 2024, section 43A.01, subdivision 3, is amended to read:

Subd. 3. **Equitable compensation relationships.** It is the policy of this state ~~to attempt~~ to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable

within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other ~~positions~~ classifications in the executive branch.

Sec. 2. Minnesota Statutes 2024, section 43A.02, subdivision 14, is amended to read:

Subd. 14. **~~Commissioner's~~ Nonrepresented employees compensation plan.** "~~Commissioner's~~ Nonrepresented employees compensation plan" means the plan required by section 3.855 regarding total compensation and terms and conditions of employment, including grievance administration, for employees of the executive branch who are not otherwise provided for in this chapter or other law.

Sec. 3. Minnesota Statutes 2024, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. **Statewide leadership.** (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch.

Whenever any power or responsibility is given to the commissioner by any provision of this chapter, unless otherwise expressly provided, the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the Office of the Legislative Auditor, the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teacher's Retirement Association. Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of this chapter, and may order any remedial actions consistent with law. The commissioner, at the request of an agency, shall provide assistance in employee misconduct investigations. Upon request of the appointing authority, the commissioner may issue determinations on personnel matters regarding board-appointed executive directors or leaders. The commissioner shall have the right to assess from the requesting agency, any costs incurred while assisting the agency in the employee misconduct investigation. Money received by the commissioner under this paragraph is appropriated to the commissioner for purposes of this paragraph.

(d) The commissioner may assess or establish and collect premiums from all state entities to cover the costs of programs under ~~sections~~ section 15.46 ~~and 176.603~~.

Sec. 4. Minnesota Statutes 2024, section 43A.04, subdivision 4, is amended to read:

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the

Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

(1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who ~~are referred or nominate themselves~~ apply, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

Sec. 5. Minnesota Statutes 2024, section 43A.04, subdivision 8, is amended to read:

Subd. 8. **Donation of time.** Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1, 18, or 19 to their union representative for the purpose of carrying out the duties of office.

Sec. 6. Minnesota Statutes 2024, section 43A.05, subdivision 3, is amended to read:

Subd. 3. **~~Commissioner's~~ Nonrepresented employees compensation plan.** The commissioner shall periodically develop and establish pursuant to this chapter a ~~commissioner's~~ nonrepresented

employees compensation plan. The commissioner shall submit the plan to the Legislative Coordinating Commission.

Sec. 7. Minnesota Statutes 2024, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for ~~the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services;~~ an agency, including the Offices of the Attorney General, Secretary of State, and State Auditor~~; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; Direct Care and Treatment; the Minnesota Zoological Board; and the Office of Emergency Medical Services~~, may designate additional unclassified positions.

A position designated ~~by an appointing authority~~ according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 8. Minnesota Statutes 2024, section 43A.08, subdivision 4, is amended to read:

Subd. 4. **Length of service for student workers.** A person may ~~not~~ only be employed as a student worker in the unclassified service under subdivision 1 ~~for more than 36 months. Employment at a school that a student attends is not counted for purposes of this 36-month limit. Student workers in the Minnesota Department of Transportation SEEDS program who are actively involved in a~~

~~four-year degree program preparing for a professional career job in the Minnesota Department of Transportation may be employed as a student worker for up to 48 months~~ if the person is enrolled in secondary, postsecondary, or graduate study.

Sec. 9. Minnesota Statutes 2024, section 43A.11, subdivision 9, is amended to read:

Subd. 9. **~~Rejection~~ Nonselection; explanation.** If the appointing authority ~~rejects~~ does not select a member of the finalist pool who has claimed veteran's preference, the appointing authority shall notify the finalist in writing of the reasons for the rejection.

Sec. 10. Minnesota Statutes 2024, section 43A.121, is amended to read:

43A.121 RANKING OF THE APPLICANT POOL.

Applicants referred from a layoff list shall be ranked as provided in the collective bargaining agreement or plan established under section 43A.18, under which the layoff list was established. All other names in an applicant pool shall be ranked according to the veteran's preference provisions of section 43A.11, subdivision 7~~, and then in descending order of the number of skill matches for the vacant position~~. If any ties in rank remain, those names shall appear in alphabetical order.

Sec. 11. Minnesota Statutes 2024, section 43A.15, subdivision 4, is amended to read:

Subd. 4. **Provisional appointments.** The commissioner may authorize an appointing authority to make a provisional appointment if no applicant is suitable or available for appointment and the person to be provisionally appointed is qualified in all respects except for completion of a licensure or certification requirement.

No person shall be employed on a provisional basis for more than six months unless the commissioner grants an extension to a maximum of 12 months in the best interest of the state. No extension may be granted beyond 12 months except where there is a lack of applicants and the provisional appointee is continuing to work to complete the licensure or certification requirement.

At the request of an appointing authority, the commissioner may authorize the probationary appointment of a provisional appointee who has performed satisfactorily ~~for at least 60 days~~ and has completed the licensure or certification requirement.

Sec. 12. Minnesota Statutes 2024, section 43A.15, subdivision 7, is amended to read:

Subd. 7. **Appointments for unclassified incumbents of newly classified positions.** The commissioner may authorize the probationary appointment of an incumbent who has passed a qualifying selection process and who has served at least one year in an unclassified position ~~which has been placed in the classified service by proper authority~~.

Sec. 13. Minnesota Statutes 2024, section 43A.15, subdivision 12, is amended to read:

Subd. 12. **~~Work-training~~ Trainee appointments.** The commissioner may authorize the probationary appointment of persons who successfully complete on-the-job state training programs ~~which~~ that have been approved by the commissioner.

Sec. 14. Minnesota Statutes 2024, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall consult with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts in establishing, reviewing, and modifying the qualifying procedures for applicants whose disabilities are of such a significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration experience is an alternative, noncompetitive hiring process for qualified applicants with disabilities. All permanent executive branch classified positions are eligible for a 700-hour on-the-job demonstration experience, and all permanent classified job postings must provide information regarding the on-the-job demonstration overview and certification process.

(b) The commissioner ~~may~~ shall authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job demonstration experience. A qualified applicant ~~should~~ shall be converted to ~~permanent,~~ a probationary ~~appointments~~ appointment at the point in the 700-hour on-the-job experience when the applicant has demonstrated the ability to perform the essential functions of the job with or without reasonable accommodation. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

(c) The commissioner and the ADA and disability employment director, described in section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and oversight of the 700-hour on-the-job demonstration experience, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(d) The commissioner or the commissioner's designee shall design and implement a training curriculum for the 700-hour on-the-job demonstration experience. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and ADA coordinators must receive annual training on the program.

(e) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the 700-hour on-the-job demonstration experience under this subdivision and supported work program under section 43A.421, subdivision 2.

(f) An appointing authority must make reasonable accommodations in response to a request from an applicant with a disability, including providing accommodations in a timely manner during the application and hiring process and throughout the 700-hour on-the-job demonstration experience. Requirements for accessibility for public records under section 363A.42, continuing education under section 363A.43, and technology under section 16E.03, subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the application and hiring process and through the on-the-job demonstration experience period.

Sec. 15. Minnesota Statutes 2024, section 43A.17, subdivision 5, is amended to read:

Subd. 5. **Salary on demotion; special cases.** The commissioner may, upon request of an appointing authority, approve payment of an employee with permanent status at a salary rate above the maximum of the class to which the employee is demoted. The commissioner shall take such action as required by collective bargaining agreements or plans pursuant to section 43A.18. If the action is justified by the employee's long or outstanding service, exceptional or technical

qualifications, ~~age, health,~~ or substantial changes in work assignment beyond the control of the employee, the commissioner may approve a rate up to and including the employee's salary immediately prior to demotion. Thereafter, so long as the employee remains in the same position, the employee shall not be eligible to receive any increase in salary until the employee's salary is within the range of the class to which the employee's position is allocated unless such increases are specifically provided in collective bargaining agreements or plans pursuant to section 43A.18.

Sec. 16. Minnesota Statutes 2024, section 43A.181, subdivision 1, is amended to read:

Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. ~~The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2.~~ A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Sec. 17. Minnesota Statutes 2024, section 43A.1815, is amended to read:

43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.

(a) In addition to donations under section 43A.181, a state employee may donate a total of up to 40 hours of accrued vacation leave each fiscal year to the sick leave account of one or more state employees. A state employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another state employee's vacation account.

(b) At retirement, eligible state employees may donate additional accumulated vacation hours in excess of their vacation payout at time of retirement into a general pool, even if they already have donated 40 hours.

~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening condition of the employee or spouse or dependent child that prevents the employee from working. A recipient may use program donations retroactively to when all forms of paid leave are exhausted if the employee has sufficient donations to cover the period of retroactivity. A recipient who receives program donations under this section may use up to 80 hours of program donations after the death of a spouse or dependent child.

~~(c)~~ (d) An applicant for benefits under this section who receives an unfavorable determination may select a designee to consult with the commissioner or commissioner's designee on the reasons for the determination.

~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of individual eligibility status, and other topics related to administration of this program.

Sec. 18. Minnesota Statutes 2024, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the effects of past and present discrimination, intended or unintended, on the basis of protected group status, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

(1) objectives, goals, and policies;

(2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established;

(3) the analysis of separation patterns to determine the impact on protected group members; and

(4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

Agency heads must report the data in clause (3) to the state Director of ~~Recruitment, Retention and~~ Affirmative Action and the state ADA coordinator, in addition to being available to anyone upon request. The commissioner must annually post the aggregate and agency-level reports under clause (4) on the agency's website.

(b) The commissioner shall establish statewide affirmative action goals for each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment, using at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills; and

(2) the availability for promotion or transfer of current employees who are members of protected classes.

(c) The commissioner may use any of the following factors in addition to the factors required under paragraph (b):

(1) the extent of unemployment of members of protected classes in the recruiting area population;

(2) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(3) the expected number of available positions to be filled.

(d) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of management and budget may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(e) The commissioner shall designate a statewide ADA and disability employment director. The commissioner may delegate the preparation, revision, implementation, evaluation, and administration of the program to the director. The director must administer the 700-hour on-the-job demonstration

experience under the supported work program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability policy, employment, and the ADA. 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.

(f) Agency affirmative action plans, including reports and progress, must be posted on the agency's public and internal websites within 30 days of being approved. The commissioner of management and budget shall post a link to all executive branch agency-approved affirmative action plans on its public website. Accessible copies of the affirmative action plan must be available to all employees and members of the general public upon request.

Sec. 19. Minnesota Statutes 2024, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors ~~which~~ that the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible employee's child to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's dependent child to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the ~~commissioner's~~ nonrepresented employees compensation plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

Sec. 20. Minnesota Statutes 2024, section 43A.23, subdivision 2, is amended to read:

Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include any maximums,

limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health~~, as appropriate, shall~~ may review the summaries of benefits~~, whether written or electronic,~~ and advise the commissioner on any changes needed to ensure compliance.

Sec. 21. Minnesota Statutes 2024, section 43A.24, subdivision 1a, is amended to read:

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any individual declining benefits must do so in writing, signed and dated, on a form provided by the commissioner.

(b) The commissioner must create, and make available in hard copy and online a form for individuals to use in declining state-paid hospital, medical, and dental benefits. The form must, at a minimum, include notice to the declining individual of the next available opportunity and procedure to re-enroll in the benefits.

~~(c) No later than January 15 of each year, the commissioner of management and budget must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance on the number of employees choosing to opt-out of state employee group insurance coverage under this section. The report must provide itemized statistics, by agency, and include the total amount of savings accrued to each agency resulting from the opt-outs.~~

Sec. 22. Minnesota Statutes 2024, section 43A.24, subdivision 2, is amended to read:

Subd. 2. **Other eligible persons.** The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6~~, or by the Board of Regents for employees of the University of Minnesota not covered by collective bargaining agreements~~. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2:

(1) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(2) an employee of the legislature or an employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session, as determined by the Legislative Coordinating Commission;

(3) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the Office of the District Administrator that is not in the Second or Fourth Judicial District; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

(4) a salaried employee of the Public Employees Retirement Association;

(5) a full-time military or civilian officer or employee in the unclassified service of the Department of Military Affairs whose salary is paid from state funds;

(6) an employee of the Minnesota Historical Society, whether paid from state funds or otherwise, who is not a member of the governing board;

~~(7) an employee of the regents of the University of Minnesota;~~

~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota State Retirement System correctional employee retirement plan or the State Patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program;

~~(9)~~ (8) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for

employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance;

~~(10)~~ (9) employees of the state Board of Public Defense, with eligibility determined by the state Board of Public Defense in consultation with the commissioner of management and budget; and

~~(11)~~ (10) employees of supporting organizations of Enterprise Minnesota, Inc., established after July 1, 2003, under section 116O.05, subdivision 4, as paid for by the supporting organization.

Sec. 23. Minnesota Statutes 2024, section 43A.27, subdivision 2, is amended to read:

Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section 43A.24, may elect coverage for themselves or their dependents at their own expense:

(1) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A.18;

~~(2) an employee of the Board of Regents of the University of Minnesota, including persons on layoff, as provided in collective bargaining agreements or by the Board of Regents;~~

~~(3)~~ (2) an officer or employee of the State Agricultural Society, Center for Rural Policy and Development, Agricultural Utilization Research Institute, State Horticultural Society, Sibley House Association, Minnesota Humanities ~~Center~~ Commission, Minnesota Area Industry Labor Management Councils, Minnesota International Center, Minnesota Academy of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of Disabled American Veterans, state Office of the American Legion and its auxiliary, state Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order of the Purple Heart;

~~(4)~~ (3) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program;

~~(5)~~ (4) an officer or employee of ~~the State Capitol~~ Affinity Plus Federal Credit Union ~~or the Highway Credit Union~~; and

~~(6)~~ (5) an employee of the joint underwriting association pursuant to section 62I.121 or Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner determines that making these employees eligible to purchase this coverage would cause the state employee group insurance program to lose its status as a governmental plan or would cause the program to be treated as a multiemployer welfare arrangement.

Sec. 24. Minnesota Statutes 2024, section 43A.33, subdivision 3, is amended to read:

Subd. 3. **Procedures.** (a) Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements. Procedures for employees

not covered by a collective bargaining agreement shall be governed by this subdivision and by the commissioner's and managerial plans.

(b) For discharge, suspension without pay or demotion, no later than the effective date of such action, a permanent classified employee not covered by a collective bargaining agreement shall be given written notice by the appointing authority. The content of that notice as well as the employee's right to reply to the appointing authority shall be as prescribed in the grievance procedure contained in the applicable plan established pursuant to section 43A.18. The notice shall also include a statement that the employee may elect to appeal the action to the Bureau of Mediation Services within 30 calendar days following the effective date of the disciplinary action. A copy of the notice and the employee's reply, if any, shall be filed by the appointing authority with the commissioner no later than ten calendar days following the effective date of the disciplinary action. The commissioner shall have final authority to decide whether the appointing authority shall settle the dispute prior to the hearing provided under this subdivision **4**.

(c) For discharge, suspension, or demotion of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A.18.

(d) Within ten days of receipt of the employee's written notice of appeal, the commissioner of the Bureau of Mediation Services shall provide both parties with a list of potential arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal. The process of selecting the arbitrator from the list shall be determined by the plan.The hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the arbitrator finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay. If the arbitrator finds that there exists sufficient grounds for institution of the appointing authority's action but the hearing record establishes extenuating circumstances, the arbitrator may reinstate the employee, with full, partial, or no pay, or may modify the appointing authority's action. The appointing authority shall bear the costs of the arbitrator for hearings provided for in this section.

Sec. 25. Minnesota Statutes 2024, section 43A.346, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) This section applies to a terminated state employee who:

(1) for at least the five years immediately preceding separation under ~~clause~~ clauses (2) and (3), was regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminated state or Metropolitan Council employment;

(3) at the time of termination under clause (2), met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or, for a terminated employee under the unclassified employees retirement plan, met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or elected a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of previously regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

(b) For purposes of this section, an unreduced retirement annuity includes a retirement annuity computed under a provision of law which permits retirement, without application of an earlier retirement reduction factor, whenever age plus years of allowable service total at least 90.

(c) For purposes of this section, as it applies to state employees who are members of the Public Employees Retirement Association who are at least age 62, the length of separation requirement and termination of service requirement prohibiting return to work agreements under section 353.01, subdivisions 11a and 28, are not applicable.

Sec. 26. Minnesota Statutes 2024, section 43A.346, subdivision 6, is amended to read:

Subd. 6. **Duration.** Postretirement option employment is for an initial period not to exceed one year. During that period, the appointing authority may not modify the conditions <u>of employment</u> specified in the written offer without the person's consent, except as required by law or by the collective bargaining agreement or compensation plan applicable to the person. At the end of the initial period, the appointing authority has sole discretion to determine if the offer of a postretirement option position will be renewed, renewed with modifications, or terminated. Postretirement option employment may be renewed for periods of up to one year, not to exceed a total duration of five years. No person may be employed in one or a combination of postretirement option positions under this section for a total of more than five years.

Sec. 27. Minnesota Statutes 2024, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the ~~commissioner~~ agency head.

Sec. 28. Minnesota Statutes 2024, section 43A.421, is amended to read:

43A.421 ~~SUPPORTED WORK~~ CUSTOMIZED EMPLOYMENT PROGRAM.

Subdivision 1. **Program established.** ~~Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with significant disabilities. A full-time position may be shared by up to three persons with significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14. All classified supported work job postings need to link to the overview and application process for the supported work program.~~ The commissioner is responsible for the establishment, administration, and oversight of a program providing customized employment opportunities for individuals with significant disabilities as defined in United States Code, title 29, section 705(21). Employees in the customized employment program are appointed to a customized employment position by matching the skills offered by eligible individuals to specific tasks and projects within agencies, rather than to an existing job classification. When job coach services are necessary for the individuals employed through this program, the job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.

Subd. 2. **~~Responsibilities~~ Customized employment.** (a) The commissioner is responsible for the administration and oversight of the ~~supported work~~ customized employment program, including the establishment of policies and procedures, eligibility, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the ~~supported work~~ customized employment program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive ~~annual~~ training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

Sec. 29. **REPEALER.**

Minnesota Statutes 2024, sections 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; and 43A.318, subdivisions 1, 2, 4, and 5, are repealed.

ARTICLE 4

LICENSING BOARDS

Section 1. Minnesota Statutes 2024, section 155A.23, is amended by adding a subdivision to read:

Subd. 22. **Textured hair.** "Textured hair" is hair that is coiled, curly, or wavy.

Sec. 2. Minnesota Statutes 2024, section 155A.27, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) Qualifications for licensing in each classification shall be determined by the board and established by rule, and shall include educational and experiential prerequisites.

~~(b) A person applying for an individual license to practice as a cosmetologist, hair technician, manager, or instructor must: (1) successfully complete training on the properties of the hair and all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; and (2) have experience providing services to individuals with hair of all types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair.~~

~~(c)~~ (b) The rules shall require a demonstrated knowledge of procedures necessary to protect the health and safety of the practitioner and the consumer of cosmetology services, including but not limited to infection control, use of implements, apparatuses and other appliances, and the use of chemicals.

Sec. 3. Minnesota Statutes 2024, section 155A.2705, subdivision 3, is amended to read:

Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 900 hours of coursework and planned clinical instruction and experience that includes:

(1) the first 300 hours of the hair technology course that includes:

(i) student orientation;

(ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair~~, a study of all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair,~~ and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

(B) disinfectant procedures;

(C) cleaning and disinfection;

(D) single use items;

(E) storage of tools, implements, and linens; and

(F) other implements and equipment used in salons and schools;

(2) 300 hours in hair cutting and styling that includes hair and scalp analysis~~; providing services to individuals who have all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; cleaning;~~, scalp and hair conditioning~~;~~, hair design and shaping~~;~~, drying~~;~~, arranging~~;~~, curling~~;~~, dressing~~;~~, waving~~;~~, and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis~~; providing services to individuals with all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair;~~, dying~~;~~, bleaching~~;~~, reactive chemicals~~;~~, keratin~~;~~, hair coloring~~;~~, permanent straightening~~;~~, permanent waving~~;~~, predisposition and strand tests~~;~~, safety precautions~~;~~, chemical mixing~~;~~, color formulation~~;~~, and the use of dye removers.

Sec. 4. Minnesota Statutes 2024, section 155A.30, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) Cosmetologist and hair technician course content must include textured hair training that consists of theoretical and clinical instruction on working with hair with various:

(1) curl, coil, and wave patterns;

(2) hair strand thicknesses; and

(3) volumes.

(b) The board shall by rule establish minimum standards of course content and length specific to the educational preparation prerequisite to testing and licensing ~~as cosmetologist, esthetician, and nail technician~~.

Sec. 5. Minnesota Statutes 2024, section 326.05, is amended to read:

326.05 QUALIFICATIONS OF BOARD MEMBERS.

Each member of the board ~~shall~~ must be a resident of this state at the time of and throughout the member's appointment. Each member except the public members ~~shall~~ must have been engaged in the practice of the relevant profession for at least ~~ten~~ five years and shall have been in responsible charge of professional work requiring licensure as an architect, engineer, land surveyor, landscape architect, or geoscientist, or certification as an interior designer for at least ~~five~~ two years.

Sec. 6. Minnesota Statutes 2024, section 326.10, subdivision 1, is amended to read:

Subdivision 1. **Issuance.** The board shall on application therefor on a prescribed form, and upon payment of a fee prescribed by rule of the board, issue a license or certificate as an architect, engineer, land surveyor, landscape architect, geoscientist, or certified interior designer. A separate fee shall be paid for each profession licensed.

(1) To any person ~~over 25 years of age, who is of good moral character and repute,~~ who complies with the Rules of Professional Conduct established in rules by the board and who has the experience and educational qualifications ~~which~~ that the board by rule may prescribe.

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors, landscape architects, geoscientists, or certified interior designers, respectively, at the time of registration or licensure in the other jurisdiction, were ~~equal, in the opinion of the board,~~ substantially equivalent as established in rules by the board to those fixed by the board and by the laws of this state, and in which similar privileges are extended to the holders of certificates of registration or licensure issued by this state. The board may require such person to submit a certificate of technical qualification from the National Council of Architectural Registration Boards in the case of an architect, from the National Council of Examiners for Engineering and Surveying in the case of an engineer, from the Council of Landscape Architectural Registration Boards in the case of a landscape architect, and from the National Council for Interior Design Qualification in the case of a certified interior designer.

Sec. 7. Minnesota Statutes 2024, section 326.10, subdivision 2, is amended to read:

Subd. 2. **Examination.** ~~The board, or a committee of the board, may subject any applicant for licensure or certification to such examinations as may be deemed necessary to establish qualifications.~~

~~In determining the qualifications of applicants, at least one member determining the qualifications must be licensed or certified in the same profession as that being evaluated.~~

An applicant for licensure or certification must provide evidence of passing the required examinations as prescribed by the board in rules.

Sec. 8. Minnesota Statutes 2024, section 326.10, subdivision 10, is amended to read:

Subd. 10. **Temporary military license.** The board shall establish a temporary license in accordance with section 197.4552 for the practice of architecture, professional engineering, geosciences, land surveying, landscape architecture, and interior design. The fee for the temporary license under this subdivision for the practice of architecture, professional engineering, geosciences, land surveying, landscape architecture, or interior design is ~~$132~~ $0.

Sec. 9. Minnesota Statutes 2024, section 326.111, subdivision 3, is amended to read:

Subd. 3. **Cease and desist orders.** (a) The board, or the complaint committee if authorized by the board, may issue and have served upon a person an order requiring the person to cease and desist from the unauthorized practice of architecture, engineering, land surveying, landscape architecture, geoscience, or the unauthorized use of the titles architect, professional engineer, land surveyor, landscape architect, professional geologist, professional soil scientist, certified interior designer, or violation of the statute, rule, or order. The order shall be calculated to give reasonable notice of the rights of the person to request a hearing and shall state the reasons for the entry of the order.

(b) Service of the order is effective if the order is served on the person or counsel of record personally or by certified mail to the most recent address provided to the board for the person or counsel of record. Service of the order must be by first class United States mail, including certified United States mail, or overnight express mail service with the postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service.

(c) Unless otherwise agreed by the board, or the complaint committee if authorized by the board, and the person requesting the hearing, the hearing shall be held no later than 30 days after the request for the hearing is received by the board.

(d) The administrative law judge shall issue a report within 30 days of the close of the contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue a further order vacating, modifying, or making permanent the cease and desist orders as the facts require.

(e) If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the board.

(f) If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true.

Sec. 10. Minnesota Statutes 2024, section 326.111, subdivision 4, is amended to read:

Subd. 4. **Actions against applicants and licensees.** (a) The board may, by order, deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or certification of a person; censure or reprimand that person; condition or limit the person's practice; refuse to permit a person to sit for examination; or refuse to release the person's examination grades if the board finds that the order is in the public interest and the applicant, licensee, or certificate holder:

(1) has violated a statute, rule, or order that the board has issued or is empowered to enforce;

(2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether or not the conduct or acts relate to the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or certified interior design, providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or certified interior design;

(3) has engaged in conduct or acts that are negligent or otherwise in violation of the standards established by Minnesota Rules, chapters 1800 and 1805, where the conduct or acts relate to the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or use of the title certified interior designer;

(4) has been convicted of or has pled guilty or nolo contendere to a felony, an element of which is dishonesty or fraud, whether or not the person admits guilt, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the person's ability or fitness to engage in the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or use of the title certified interior designer;

(5) employed fraud or deception in obtaining a certificate, license, renewal, or reinstatement or in passing all or a portion of the examination;

(6) has had the person's architecture, engineering, land surveying, landscape architecture, geoscience, or interior design license, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause in any state, commonwealth, or territory of the United States, in the District of Columbia, or in any foreign country;

(7) has had the person's right to practice before any federal, state, or other government agency revoked, suspended, canceled, limited, or not renewed;

(8) failed to meet any requirement for the issuance or renewal of the person's license or certificate;

(9) has attached the person's seal or signature to a plan, specification, report, plat, or other architectural, engineering, land surveying, landscape architectural, geoscientific, or interior design document not prepared by the person sealing or signing it or under that person's direct supervision; or

(10) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that may, or has in the opinion of the board, or the complaint committee if authorized by the board, resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy provided in paragraph (a), the board may require, as a condition of continued licensure, possession of certificate, termination of suspension, reinstatement of license or certificate, examination, or release of examination grades, that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in such fashion and by such persons, entity, or entities as the board may require including, but not limited to, remedial education courses; and

(2) complete to the satisfaction of the board such continuing professional education courses as the board may specify by rule.

(c) Service of the order ~~is effective if the order is served on the licensee, certificate holder, applicant, person, or counsel of record personally or by certified mail, to the most recent address provided to the board for the licensee, certificate holder, applicant, person, or counsel of record.~~ must be by first class United States mail, including certified United States mail, or overnight express mail service with the postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service. The order shall state the reasons for the entry of the order.

(d) All hearings required by this section shall be conducted in accordance with chapter 14, except with respect to temporary suspension orders, as provided for in subdivision 5, paragraph (d).

Sec. 11. Minnesota Statutes 2024, section 326.111, subdivision 5, is amended to read:

Subd. 5. **Procedure for temporary suspension of license or certificate.** (a) When the board, or the complaint committee if authorized by the board, issues a temporary suspension order, the suspension is in effect upon service of a written order on the licensee or counsel of record, specifying the statute, rule, or order violated. The order remains in effect until the board issues a final order in the matter after a hearing or upon agreement between the board and the licensee.

(b) Service of the order ~~is effective if the order is served on the licensee or counsel of record personally or by certified mail, to the most recent address provided to the board for the licensee or counsel of record.~~ must be by first class United States mail, including certified United States mail, or overnight express mail service with postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service.

(c) The order shall set forth the rights to a hearing contained in this subdivision and shall state the reasons for the entry of the order.

(d) Within ten days after service of the order, the licensee may request a hearing in writing. The board shall hold a hearing before its own members within five working days of receipt of a request for hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. This hearing is not subject to chapter 14. Evidence presented by the board

or the licensee shall be in affidavit form only. The licensee or counsel of record may appear for oral argument.

(e) Within five working days after the hearing, the board shall issue its order and, if the suspension is continued, schedule a contested case hearing within 30 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record, notwithstanding the provisions of Minnesota Rules, part 1400.8100, subpart 3. The board shall issue a final order within 30 days after receipt of that report and any exceptions to it.

Sec. 12. Minnesota Statutes 2024, section 326.111, is amended by adding a subdivision to read:

Subd. 8. **Actions against a person with a lapsed license or certificate.** If a person's license or certificate lapses; is surrendered, withdrawn, or terminated; or otherwise becomes ineffective, the board may institute a proceeding against the person under this subdivision within two years after the license or certificate was last effective and enter a revocation or suspension order as of the last date on which the license or certificate was in effect or impose a civil penalty as provided in subdivision 6.

Sec. 13. Minnesota Statutes 2024, section 326A.03, subdivision 6, is amended to read:

Subd. 6. **Certificate; required education and experience until July 1, 2030.** (a) On or after July 1, 2006, and before July 1, 2030, a person who has passed the examination required in this section must be granted a certificate as a certified public accountant provided: (1) the person certifies to the board that the person has completed at least 150 semester or 225 quarter hours at a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association, and has completed at least one year of experience of the type specified in paragraph (b); (2) the board verifies the certifications; and (3) the person complies with requirements for initial issuance of the certificate as a certified public accountant as prescribed by the board by rule.

(b) An applicant for initial issuance of a certificate under this subdivision shall show that the applicant has had one year of experience. Acceptable experience includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, as verified by a licensee and meeting requirements prescribed by the board by rule. Acceptable experience may be gained through employment in government, industry, academia, or public practice. Experience as an auditor in the Office of the Legislative Auditor or State Auditor, as verified by a licensee, shall be acceptable experience.

(c) This subdivision expires July 1, 2030.

Sec. 14. Minnesota Statutes 2024, section 326A.03, is amended by adding a subdivision to read:

Subd. 6a. **Certificate; required education and experience after June 30, 2030.** (a) On and after July 1, 2030, or during the transitional period as provided in subdivision 6b, the board must grant a certificate as a certified public accountant to a person who has not previously been certified and who has passed the examination required in this section if:

(1) the person certifies to the board that the person:

(i) has completed a master's degree at a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education and has completed at least one year of acceptable experience described in paragraph (b); or

(ii) has earned a bachelor's or graduate degree from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education and has completed at least two years of acceptable experience described in paragraph (b);

(2) the board verifies the certification under clause (1); and

(3) the person complies with requirements as prescribed by the board for an initial certificate.

(b) Acceptable experience includes providing any type of service or advice that involves accounting, attestation, compilation, management advisement, financial advisement, tax, or consulting skills, as verified by a licensee and meeting requirements prescribed by the board by rule. Acceptable experience may be gained through employment in government, industry, academia, or public practice. Experience as an auditor in the Office of the Legislative Auditor or the Office of the State Auditor, as verified by a licensee, is acceptable experience.

Sec. 15. Minnesota Statutes 2024, section 326A.03, is amended by adding a subdivision to read:

Subd. 6b. **Transitional period.** (a) Until July 1, 2030, a person must be granted an initial certificate as a certified public accountant if the person meets either:

(1) all requirements under subdivision 6; or

(2) all requirements under subdivision 6a.

(b) This subdivision expires July 1, 2030.

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

Sec. 16. Minnesota Statutes 2024, section 326A.14, is amended to read:

326A.14 ~~SUBSTANTIAL EQUIVALENCY~~ MOBILITY.

Subdivision 1. **Requirements.** (a) An individual whose principal place of business is not in this state ~~and who holds a valid license in good standing as a certified public accountant from any state which, upon verification, is in substantial equivalence with the certified public accountant licensure requirements of section 326A.03, subdivisions 3, 4, and 6,~~ shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license~~.~~, if the person:

(1) holds a valid certificate, license, or permit to practice as a certified public accountant that was issued in another state and is in good standing to practice as a certified public accountant in that state;

(2) has a bachelor's degree or higher from an accredited postsecondary school with an accounting concentration or equivalent as determined by the board by rule; and

(3) has passed the Uniform CPA Examination.

(b) Notwithstanding any contrary provision of this chapter, an individual who offers or renders professional services, whether in person, by mail, telephone, or electronic means, under ~~this~~ paragraph (a): (1) shall be granted practice privileges in this state; (2) is subject to the requirements in paragraph (c); and (3) is not required to provide any notice or other submission.

~~(b) An individual whose principal place of business is not in this state and who holds a valid license in good standing as a certified public accountant from any state whose certified public accountant licensure qualifications, upon verification, are not substantially equivalent with the licensure requirements of section 326A.03, subdivisions 3, 4, and 6, shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license if the individual obtains verification, as specified in board rule, that the individual's qualifications are substantially equivalent to the licensure requirements of section 326A.03, subdivisions 3, 4, and 6. For purposes of this paragraph, any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2009, is exempt from the education requirement in section 326A.03, subdivision 6, paragraph (a), provided the individual meets the education requirement in section 326A.03, subdivision 3. Notwithstanding any contrary provision of this chapter, an individual who offers or renders professional services, whether in person, by mail, telephone, or electronic means, under this paragraph: (1) shall, after the verification specified by adopted rules, be granted practice privileges in this state; (2) is subject to the requirements in paragraph (c); and (3) is not required to provide any notice or other submission.~~

(c) An individual licensee of another state exercising the privilege afforded under this section and the firm which employs that licensee are deemed to have consented, as a condition of the grant of this privilege:

(1) to the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) to comply with this chapter and the board's rules;

(3) to the appointment of the state board that issued the license as the licensee's agent upon whom process may be served in any action or proceeding by this board against the licensee; and

(4) to cease offering or rendering professional services in this state individually and on behalf of a firm in the event the license issued by the state of the individual's principal place of business is no longer valid or in good standing.

(d) An individual who has been granted practice privileges under this section who performs attest services as defined in section 326A.01, subdivision 2, clause (1), (4), or (5), for any entity with its headquarters in this state, may only do so through a firm which has obtained a permit under section 326A.05.

Subd. 2. **Use of title in another state.** A licensee of this state offering or rendering services or using the CPA title in another state is subject to the same disciplinary action in this state for which the licensee would be subject to discipline for an act committed in the other state. The board shall investigate any complaint made by the board of accountancy of another state.

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

Sec. 17. **REPEALER.**

Subdivision 1. **Board of Accountancy.** Minnesota Rules, part 1105.7900, item D, is repealed.

Subd. 2. **Board of Cosmetologist Examiners.** Laws 2024, chapter 120, article 3, section 2, is repealed.

EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment.

ARTICLE 5

MINNESOTA BUSINESS FILING FRAUD PREVENTION ACT

Section 1. Minnesota Statutes 2024, section 13.485, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The sections referred to in subdivisions 3 to ~~6~~ 7 are codified outside this chapter. Those sections classify corporation data as other than public, place restrictions on access to government data, or involve data sharing.

Sec. 2. Minnesota Statutes 2024, section 13.485, is amended by adding a subdivision to read:

Subd. 7. **Business fraud investigations.** Government data related to investigations under sections 300.70 to 300.78 are governed by section 300.78.

Sec. 3. **[300.70] CITATION AND DEFINITIONS.**

Subdivision 1. **Citation.** Sections 300.70 to 300.78 may be cited as the "Minnesota Business Filing Fraud Prevention Act."

Subd. 2. **Definitions.** (a) For purposes of sections 300.70 to 300.78, the following terms have the meanings given.

(b) "Complainant" means a person who (1) delivers a declaration of wrongful filing, and (2) has a connection to the allegedly wrongful filing or the related business.

(c) "Filer" means the person who has allegedly made a wrongful filing.

(d) "Office" means the Office of the Secretary of State.

Sec. 4. **[300.71] DECLARATION OF WRONGFUL FILING.**

Subdivision 1. **Form and contents of declaration.** (a) A complainant may deliver a declaration of wrongful filing to the office if the complainant believes that a document filed under chapters 301 to 323A:

(1) was not authorized to be filed; and

(2) was filed with the intent to: (i) modify the ownership, registered agent, business address, contact information, governance, or other information of a business on record; or (ii) register a business using another person's name, address, or identity.

(b) A declaration of wrongful filing must include:

(1) the file number of the allegedly wrongful filing;

(2) the complainant's name, mailing address, and email address;

(3) whether the complainant is employed by or has an ownership interest in the business that is the subject of the filing;

(4) any information or evidence supporting the complainant's allegations under this section;

(5) a statement verifying the complainant believes in good faith that the facts stated in the declaration are true; and

(6) any other information the office deems necessary.

(c) The office must provide a form for declarations filed under this section. A complainant must use the provided form when submitting a declaration of wrongful filing.

(d) A false material statement of fact in a declaration of wrongful filing or any other document submitted under sections 300.70 to 300.78 is a violation of section 609.48.

Subd. 2. **Review of declaration.** (a) The office must promptly accept or reject a declaration of wrongful filing.

(b) The office may reject a declaration of wrongful filing that is incomplete, does not use the provided form, or the office reasonably believes was delivered with the intent to harass or defraud the filer. The office may reject a declaration of wrongful filing if the office has already issued a final order on the filing identified in the declaration.

Subd. 3. **Nonexclusive remedy.** The remedy in sections 300.70 to 300.78 is not exclusive. An aggrieved party may seek district court action regardless of whether the individual has initiated or completed the procedure described in these sections.

Sec. 5. **[300.72] NOTICE.**

(a) When the office accepts a declaration of wrongful filing, the office must provide notice of the declaration to the complainant and the filer. The notice must describe the allegations made in the declaration and the process used to resolve the allegations. The notice must prominently state the response timeline in section 300.73 and the consequences if the filer does not respond. The notice must prominently state that a false statement of material fact in any documents submitted under sections 300.70 to 300.78 is a violation of section 609.48.

(b) The office must send the notice by first class mail, postage prepaid, to:

(1) the complainant at the mailing address provided in the declaration; and

(2) the filer at:

(i) the most recent registered business address associated with the filing named in the declaration; or

(ii) if a mailing address for the filer cannot be identified, the notice may be served on the filer as provided under section 5.25, subdivision 6.

(c) Notice is deemed received by the complainant and the filer upon mailing.

(d) If the notice to the filer is returned as undeliverable, the office may deem the filing fraudulent and immediately issue a final order as provided under section 300.76, notwithstanding the time period under section 300.73.

Sec. 6. **[300.73] RESPONSE.**

(a) After notice is received, the filer must respond in writing to the allegations in the declaration. The response must be received by the office within 21 calendar days of receipt of the notice.

(b) The filer's response under this section must include any information refuting the allegations contained in the complainant's declaration.

Sec. 7. **[300.74] PROCEDURE WHEN NO RESPONSE RECEIVED.**

If the filer does not respond within the time period under section 300.73, the office must deem the filing fraudulent and issue a final order as provided under section 300.76.

Sec. 8. **[300.75] PROCEDURE WHEN RESPONSE RECEIVED.**

Subdivision 1. **Preliminary determination.** (a) If the filer responds within the period under section 300.73, the office must further investigate the allegations in the declaration and information in the response and make a preliminary determination regarding whether the filing named in the declaration is fraudulent.

(b) The office may request additional information from the complainant and the filer if necessary to make the preliminary determination.

Subd. 2. **Notice of preliminary determination.** The office must send notice of the preliminary determination to the complainant and the filer in the manner described under section 300.72. Notice is deemed received in the manner described under section 300.72.

Subd. 3. **Response.** After notice is received, the nonprevailing party must respond to the preliminary determination within ten calendar days with additional information or evidence in support of the nonprevailing party's position. The prevailing party may send additional information or evidence within the same time period. The response must be received by the office within the time period provided under this subdivision.

Subd. 4. **Procedure if no second response is received.** If the nonprevailing party does not respond as required under subdivision 3, the preliminary determination becomes final and the office must issue a final order under section 300.76.

Subd. 5. **Procedure if second response is received.** If the nonprevailing party responds as required under subdivision 3, the office must consider the additional information provided, make a final determination regarding whether the filing named in the declaration is fraudulent, and issue a final order under section 300.76.

Subd. 6. **Factors.** When making a preliminary or final determination under this section, the office may consider various factors, including but not limited to:

(1) whether the office has previously received declarations of wrongful filing or issued final orders relating to the business, the filer, or the complainant;

(2) the previous filing history relating to the business, the filer, or the complainant;

(3) whether the filer or complainant failed to respond to a request for additional information; and

(4) whether the office is able to independently verify the information provided by the filer or complainant using publicly available information.

Sec. 9. **[300.76] FINAL ORDER.**

Subdivision 1. **Filings deemed fraudulent.** (a) If the office deems a filing fraudulent under section 300.74 or 300.75, the office must issue a final order under this subdivision. The final order must provide the office's rationale for deeming the filing fraudulent.

(b) When a filing is deemed fraudulent pursuant to a final order under this subdivision, the filing must be treated for legal purposes as if the filing never existed. In the case of a business registered using a Minnesota resident's name, address, or identity without the resident's authorization, the business is deemed dissolved.

(c) When a filing is deemed fraudulent pursuant to a final order, the office must:

(1) mark the unauthorized filing or the business record as unauthorized or fraudulent;

(2) redact names and addresses that were used without authorization; and

(3) retain a copy of the final order.

(d) In addition to the actions in paragraph (c), the office may:

(1) disable additional filing functionality on the business entity's record; or

(2) take other action the office deems necessary to prevent further unauthorized filings, protect private information, or prevent misuse of unauthorized information.

Subd. 2. **Filings deemed not fraudulent or insufficient evidence.** If the office determines that a filing is not fraudulent or that insufficient information is available to make a determination, the office must issue a final order stating that the office is not removing the filing from the database. The final order must provide the office's rationale for determining that the filing is not fraudulent or that insufficient information is available to make a determination.

Sec. 10. **[300.77] JUDICIAL REVIEW.**

(a) Any party who is aggrieved by a final order under section 300.76 may appeal the order to the district court of the Minnesota county where the business that is the subject of the final order is registered or was registered before the business's dissolution or, if the business is not registered in Minnesota, to the district court of Ramsey County. The aggrieved party may also appeal the final order as part of any district court action between the filer and complainant where the filing at issue is relevant to the issues in the case.

(b) The aggrieved party must serve a written copy of a notice of appeal upon the office and any adverse party of record within 30 calendar days after the date the final order was issued and must also file the original notice and proof of service with the court administrator of the district court. Service may be made in person or by mail. Service by mail is complete upon mailing. The court administrator is prohibited from requiring a filing fee for appeals taken pursuant to this section.

(c) The office may elect to become a party to the proceedings in the district court.

(d) The court may order that the office furnish the court and all parties to the proceedings with a copy of the decision, the filing that is the subject of the decision, and any materials or information submitted to the office. Any materials provided under this section that are filed with the court must be done so under restricted access unless the court orders otherwise.

(e) A party may obtain a hearing at a special term of the district court by serving a written notice of the hearing's time and place at least ten days before the date of the hearing.

(f) A party aggrieved by the order of the district court may appeal the order as in other civil cases. Costs or disbursements must not be taxed against a party. A filing fee or bond must not be required of a party.

Sec. 11. **[300.78] DATA PRACTICES.**

Subdivision 1. **Definitions.** For purposes of this section, "nonpublic data" has the meaning given in section 13.02, subdivision 9, and "private data on individuals" has the meaning given in section 13.02, subdivision 12.

Subd. 2. **Data classification.** Data submitted by a complainant or filer under sections 300.70 to 300.78 is classified as nonpublic data or private data on individuals. A final order under section 300.76 is public data, subject to the following: the complainant or filer's personal contact information is classified as private data on individuals. The unredacted version of a filing deemed fraudulent pursuant to a final order under section 300.76, subdivision 1, is classified as nonpublic data or private data on individuals. The version of the filing that has been redacted pursuant to section 300.76, subdivision 1, paragraph (c), is classified as public data.

Subd. 3. **Dissemination permitted.** Notwithstanding subdivision 2, the office may disseminate data of any classification collected, created, or maintained under sections 300.70 to 300.78:

(1) to the attorney general to aid the office in the investigation and review of a filing that is the subject of a declaration of wrongful filing;

(2) to a person or agency if the office determines that access to the data aids a criminal or civil investigation; or

(3) if required or authorized by a court order or other state or federal law.

Sec. 12. **[300.80] PROHIBITION ON DECEPTIVE BUSINESS MAILINGS.**

Subdivision 1. **Definition.** For purposes of this section, "solicitation" means a communication that is sent by a nongovernment third party to a business and that purports to:

(1) notify the business of an operating requirement, including but not limited to filing documents with or retrieving documents from the Office of the Minnesota Secretary of State; or

(2) offer a service that relates to filing documents with, producing documents for, or reporting information to the Office of the Minnesota Secretary of State.

Subd. 2. **Design and content requirements.** (a) A solicitation must:

(1) include a clear statement indicating that the solicitation is an advertisement and is not from a government agency. The statement must be placed at the top of a physical document or the beginning of an electronic communication and must be in at least 24-point font. All other text in the document must be smaller than the statement required by this clause;

(2) provide information indicating where an individual is able to directly file documents with the secretary of state or retrieve copies of public records;

(3) disclose the name and physical address of the company sending the solicitation. The physical address must not be a post office box; and

(4) for a mailed solicitation, prominently display in capital letters on the envelope or outer wrapper the words "THIS IS NOT A GOVERNMENT DOCUMENT."

(b) The overall design and language of a solicitation must not:

(1) create the impression that the solicitation is an official government notice or document;

(2) incorporate the Minnesota state seal or other logo or branding of the state or any state agency; or

(3) indicate or imply a legal duty to act on the solicitation or a penalty for failure to act on the solicitation.

Subd. 3. **Penalties.** (a) A person who sends a solicitation that does not comply with the requirements of this section is guilty of a misdemeanor.

(b) A violation of this section is a violation of sections 325D.43 to 325D.48.

Sec. 13. Minnesota Statutes 2024, section 609.48, subdivision 1, is amended to read:

Subdivision 1. **Acts constituting.** Whoever makes a false material statement not believing it to be true in any of the following cases is guilty of perjury and may be sentenced as provided in subdivision 4:

(1) in or for an action, hearing or proceeding of any kind in which the statement is required or authorized by law to be made under oath or affirmation;

(2) in any writing which is required or authorized by law to be under oath or affirmation;

(3) in any writing made according to section 358.115;

(4) in any writing made according to section 358.116; ~~or~~

(5) in any writing made according to sections 300.70 to 300.78; or

~~(5)~~ (6) in any other case in which the penalties for perjury are imposed by law and no specific sentence is otherwise provided.

Sec. 14. **RULEMAKING.**

The secretary of state may adopt rules to carry out the provisions of this act. Notwithstanding section 14.125, no time limit applies to the authority granted under this section.

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

Sec. 15. **EFFECTIVE DATE.**

Sections 3 to 11 are effective for filings made on or after January 1, 2026.

ARTICLE 6

BUSINESS FILING FEES

Section 1. Minnesota Statutes 2024, section 302A.153, is amended to read:

302A.153 EFFECTIVE DATE OF ARTICLES.

Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of ~~$135~~ $145, which includes a ~~$100~~ $110 incorporation fee in addition to the $35 filing fee required by section 302A.011, subdivision 11. Articles of amendment are effective when filed with the secretary of state or at another time within 30 days after filing if the articles of amendment so provide. Articles of merger must be accompanied by a fee of $60, which includes a $25 merger fee in addition to the $35 filing fee required by section 302A.011, subdivision 11.

Sec. 2. Minnesota Statutes 2024, section 303.06, is amended by adding a subdivision to read:

Subd. 3. **Fees.** The fee for filing an application for a certificate of authority with the secretary of state is $60.

Sec. 3. Minnesota Statutes 2024, section 303.21, is amended to read:

303.21 FEES.

Subd. 3. **Other instruments.** A fee of $50 shall be paid to the secretary of state for filing any instrument, other than the application for certificate of authority required by section 303.06 and the annual ~~report~~ renewal required by section 303.14, required or permitted to be filed under the provisions of this chapter. The fees shall be paid at the time of the filing of the instrument.

Sec. 4. Minnesota Statutes 2024, section 308A.131, subdivision 2, is amended to read:

Subd. 2. **Filing articles.** (a) The original articles must be filed with the secretary of state.

(b) The fee for filing the articles with the secretary of state is ~~$60~~ $65.

Sec. 5. Minnesota Statutes 2024, section 308B.215, subdivision 2, is amended to read:

Subd. 2. **Filing.** The original articles shall be filed with the secretary of state. The fee for filing the articles with the secretary of state is ~~$60~~ $65.

Sec. 6. Minnesota Statutes 2024, section 317A.151, subdivision 2, is amended to read:

Subd. 2. **Effective date.** Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of ~~$70~~ $75, which includes a ~~$35~~ $40 incorporation fee in addition to the $35 filing fee required by section 317A.011, subdivision 8. Articles of amendment are effective when filed with the secretary of state or at another time within 31 days after filing if the articles of amendment so provide.

Sec. 7. Minnesota Statutes 2024, section 321.0206, is amended to read:

321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF STATE; EFFECTIVE TIME AND DATE.

(a) A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if the appropriate filing fees have been paid, the secretary of state shall file the record and:

(1) for a statement of dissociation, send:

(A) a copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and

(B) a copy of the filed statement to the limited partnership;

(2) for a statement of withdrawal, send:

(A) a copy of the filed statement to the person on whose behalf the record was filed; and

(B) if the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and

(3) for all other records, send a copy of the filed record to the person on whose behalf the record was filed.

(b) Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

(c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective:

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record;

(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;

(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed; or

(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed.

(d) The appropriate fees for filings under this chapter are:

(1) for filing a certificate of limited partnership, ~~$100~~ $110;

(2) for filing an amended certificate of limited partnership, $50;

(3) for filing a name reservation for a limited partnership name, $35;

(4) for filing any other record, other than the annual renewal required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing, $50;

(5) for filing a certificate requesting authority to transact business in Minnesota as a foreign limited partnership, ~~$100~~ $110;

(6) for filing an application of reinstatement, $25;

(7) for filing a name reservation for a foreign limited partnership name, $35; and

(8) for filing any other record, other than the annual renewal required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing on a foreign limited partnership authorized to transact business in Minnesota, $50.

Sec. 8. Minnesota Statutes 2024, section 322C.0201, subdivision 4, is amended to read:

Subd. 4. **Formation.** (a) A limited liability company is formed when articles of organization have been filed with the secretary of state accompanied by a payment of ~~$135~~ $145.

(b) Except in a proceeding by this state to dissolve a limited liability company, the filing of the articles of organization by the secretary of state is conclusive proof that the organizer satisfied all conditions to the formation of a limited liability company.

(c) The formation of a limited liability company does not by itself cause any person to become a member. However, this chapter does not preclude an agreement, made before or after formation of a limited liability company, which provides that one or more persons will become members, or acknowledging that one or more persons became members, upon or otherwise in connection with the formation of the limited liability company.

Sec. 9. Minnesota Statutes 2024, section 322C.0802, is amended to read:

322C.0802 APPLICATION FOR CERTIFICATE OF AUTHORITY.

Before transacting business in this state, a foreign limited liability company shall obtain a certificate of authority to transact business in this state by filing an application with the secretary of state together with a total fee of ~~$185~~ $195. The application must state:

(1) the name of the company and any alternate name adopted pursuant to section 322C.0805, subdivision 1;

(2) the name of the state or other jurisdiction under whose law the company is formed;

(3) a statement that the foreign limited liability company has complied with the organizational laws in the jurisdiction under whose laws the company is formed;

(4) the street address of the company's principal place of business and, if the law of the jurisdiction under which the company is formed requires the company to maintain an office in that jurisdiction, the street address of the required office; and

(5) the name and street address of the company's initial registered office and agent for service of process in this state.

Sec. 10. Minnesota Statutes 2024, section 323A.0101, is amended to read:

323A.0101 DEFINITIONS.

In this chapter:

(1) "Business" includes every trade, occupation, and profession.

(2) "Debtor in bankruptcy" means a person who is the subject of:

(i) an order for relief under title 11 of the United States Code or a comparable order under a successor statute of general application; or

(ii) a comparable order under federal, state, or foreign law governing insolvency.

(3) "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.

(4) "Executed" means signed.

(5) "Filed" or "filed with the secretary of state" means that a document meeting the applicable requirements of this chapter, signed, and accompanied by a filing fee of ~~$135~~ $145, has been delivered to the secretary of state. The secretary of state shall endorse on the document the word "Filed" and the month, day, and year of filing; record the document in the Office of the Secretary of State; and return a document to the person who delivered it for filing.

(6) "Foreign limited liability partnership" means a partnership that:

(i) is formed under laws other than the laws of this state; and

(ii) has the status of a limited liability partnership under those laws.

(7) "Limited liability partnership" means a partnership that has filed a statement of qualification under section 323A.1001 and does not have a similar statement in effect in any other jurisdiction.

(8) "Partnership" means an association of two or more persons to carry on as co-owners a business for profit, including a limited liability partnership, formed under section 323A.0202, predecessor law, or comparable law of another jurisdiction.

(9) "Partnership agreement" means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement.

(10) "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.

(11) "Partnership interest" or "partner's interest in the partnership" means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights.

(12) "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13) "Property" means all property, real, personal, or mixed, tangible or intangible, or any interest in property.

(14) "Record," "recorded," and "recording" mean that a certified copy of a statement meeting the applicable requirements of this chapter as filed with the secretary of state has been recorded in

the office of the county recorder in the county in which the real property affected by the statement is located or, if the real property is registered under chapter 508 or 508A, memorialized on the certificate of title for that property.

(15) "Signed" means that:

(i) the signature of a person has been written on a document, as provided in section 645.44, subdivision 14; and

(ii) with respect to a document that may be filed with the secretary of state, the document has been signed by a person authorized to do so by this chapter, by the partnership agreement, or by a resolution approved as provided in the partnership agreement.

A signature on a document may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by facsimile or electronically, or in any other manner reproduced on the document.

(16) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

(17) "Statement" means a statement of partnership authority under section 323A.0303, a statement of denial under section 323A.0304, a statement of dissociation under section 323A.0704, a statement of dissolution under section 323A.0805, a statement of merger under section 323A.0907, a statement of qualification under section 323A.1001, a statement of foreign qualification under section 323A.1102, or an amendment or cancellation of any of the foregoing.

(18) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and encumbrance.

ARTICLE 7

LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2024, section 13D.02, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** ~~(a)~~ A meeting governed by section 13D.01, subdivisions 1, 2, 4, and 5, and this section may be conducted by interactive technology so long as:

(1) all members of the body participating in the meeting, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented at any location at which at least one member is present;

(2) members of the public present at the regular meeting location of the body can hear and see all discussion and testimony and all votes of members of the body;

(3) at least one member of the body is physically present at the regular meeting location; and

(4) all votes are conducted by roll call so each member's vote on each issue can be identified and recorded~~; and~~.

~~(5) each location at which a member of the body is present is open and accessible to the public.~~

~~(b) A meeting satisfies the requirements of paragraph (a), although a member of the public body participates from a location that is not open or accessible to the public, if the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public, and:~~

~~(1) the member is serving in the military and is at a required drill, deployed, or on active duty; or~~

~~(2) the member has been advised by a health care professional against being in a public place for personal or family medical reasons.~~

Sec. 2. Minnesota Statutes 2024, section 13D.02, subdivision 4, is amended to read:

Subd. 4. **Notice of regular ~~and all member~~ meeting locations.** If interactive technology is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location and ~~notice of any location where a member of the public body will be participating~~ the fact that members may participate in the meeting by interactive technology~~, except for the locations of members participating pursuant to subdivision 1, paragraph (b)~~. The timing and method of providing notice of the regular meeting location must be as described in section 13D.04.

Sec. 3. Minnesota Statutes 2024, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the entity shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the entity to obtain a permit, an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

(b) Any public water district, sewer district, or combination water and sewer district established under chapter 116A may install water and sewer lines and all other ancillary infrastructure within a public road right-of-way in accordance with paragraph (a).

Sec. 4. Minnesota Statutes 2024, section 331A.10, subdivision 2, is amended to read:

Subd. 2. **Discontinuance.** (a) When a newspaper ceases to be published before the publication of a public notice is commenced, or when commenced ceases before the publication is completed, the following procedures apply: (1) when the publication is required by court order, the order for publication~~, when one is required in the first instance,~~ may be amended by order of the court or judge, to designate another newspaper, as may be necessary~~. If no order is required in the first instance,~~; or (2) when the publication is required by law, rule, or ordinance, the publication may be made or completed in any other qualified newspaper.

(b) If no qualified newspaper is available for publication of a public notice after the discontinuance of a newspaper, the political subdivision must post the information required to be published on the political subdivision's website until another qualified newspaper is identified, which shall then be designated. During the time when no qualified newspaper is available, the political subdivision must also post the public notice on the Minnesota Newspaper Association's statewide public notice website, at no additional cost to the political subdivision.

(c) Any time during which the notice is published in ~~the first~~ a newspaper prior to its discontinuance shall be calculated as a part of the time required for the publication, proof of which may be made by affidavit of any person acquainted with the facts.

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

Sec. 5. Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

Subdivision 1. **Transition; audit.** (a) In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the position, the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the treasurer is also elected, the election of the treasurer's position is void.

(b) If the offices of clerk and treasurer are combined and the town's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (c), the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (c) or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant or a certified public accounting firm licensed in accordance with chapter 326A.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 6. **[383A.151] RAMSEY COUNTY ECONOMIC DEVELOPMENT AUTHORITY.**

Subdivision 1. **Creation.** (a) There is created in the county of Ramsey a public body, corporate and politic, known as the Ramsey County Economic Development Authority, that has the powers contained in sections 469.090 to 469.108, except for sections 469.101, subdivision 19, 469.102, and 469.107; the powers of a housing and redevelopment authority under sections 469.001 to 469.047; and the powers of a city under sections 469.124 to 469.133. For purposes of applying chapter 469 to the county of Ramsey, the county has all the powers and duties of a city; the county board has all the powers and duties of a governing body; the chair of the county board has all the powers and duties of a mayor; and, with respect to the exercise of the powers under section 469.008, the area of operation includes the area within the territorial boundaries of the county.

(b) Section 469.1082 does not apply to the county of Ramsey, except for section 469.1082, subdivision 5.

Subd. 2. **Commissioners.** Notwithstanding the provisions of chapter 469 or other law to the contrary, the Ramsey County Economic Development Authority consists of seven commissioners. The county board must appoint the commissioners and fill vacancies in the office of any commissioner. Pursuant to Ramsey County Resolution No. 94-357, dated July 26, 1994, the Ramsey County Board of Commissioners also constitutes the Ramsey County Housing and Redevelopment Authority. The board may, by resolution, appoint the sitting commissioners of the Ramsey County Housing and Redevelopment Authority as commissioners of the Ramsey County Economic Development Authority, the terms of each commissioner corresponding accordingly.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. **[383A.152] RAMSEY COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; ADDITIONAL POWERS.**

The Ramsey County Housing and Redevelopment Authority, established pursuant to Ramsey County Resolution No. 93-155, dated March 9, 1993, shall have the powers and duties of the Ramsey County Economic Development Authority under section 383A.151 and shall retain all the powers of a housing and redevelopment authority under sections 469.001 to 469.047. For purposes of applying chapter 469 to the county of Ramsey, the county has all the powers and duties of a city; the county board has all the powers and duties of a governing body; the chair of the county has all the powers and duties of a mayor; and, with respect to the exercise of the powers under section 469.008, the area of operation includes the area within the territorial boundaries of the county.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Minnesota Statutes 2024, section 383C.035, is amended to read:

383C.035 UNCLASSIFIED CIVIL SERVICE.

(a) The officers and employees of the county and of any agency, board, or commission, supported in whole or in part by taxation upon the taxable property of the county or appointed by the judges of the district court for the county, are divided into the unclassified and classified service.

(b) The unclassified service comprises:

(1) all officers elected by popular vote or persons appointed to fill vacancies in such offices;

(2) superintendent or principal administrative officer or comptroller of any separate department of county government which is now or hereafter created pursuant to law, who is directly responsible to the board of county commissioners or any other board or commission, as well as the county agricultural agents reporting to the county extension committee;

(3) members of nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity;

(4) assistant county attorneys or special investigators in the employ of the county attorney. For purposes of this section, special investigators are defined as all nonclerical positions in the employ of the county attorney;

(5) all common labor temporarily employed on an hourly basis;

(6) not more than a total of nine full-time equivalent clerical employees serving the county board and administrator;

(7) a legislative lobbyist/grant coordinator appointed by the county board to act as legislative liaison with the St. Louis County legislative delegation and pursue legislative concerns and grant opportunities for the county, and the clerk for that position;

(8) any department head and deputy director designated by the county board;

(9) three administrative assistants in the county administrator's office;

(10) the county administrator and ~~two~~ deputy administrators; and

(11) all court bailiffs.

(c) The classified service includes all other positions now existing and hereinafter created in the service of the county or any board or commission, agency, or offices of the county.

Sec. 9. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under the standard plan of government the council may by ordinance adopted at least 60 days before the next regular city election combine the offices of clerk and treasurer in the office of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk and treasurer may be reestablished by ordinance.

(b) If the offices of clerk and treasurer are combined as provided by this section and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (c), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum auditing procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (c), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 10. Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are combined as provided by this section, and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (b), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (b), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(b) For the purposes of paragraph (a), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 11. Minnesota Statutes 2024, section 466.01, subdivision 1, is amended to read:

Subdivision 1. **Municipality.** For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4, special district, school district, however organized, public water or sewer system formed under chapter 116A, county agricultural society organized pursuant to chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multicounty multitype library system, the following local collaboratives whose plans have been approved by the Children's Cabinet: family services collaboratives established under section 142D.15, children's mental health collaboratives established under sections 245.491 to 245.495, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative, other political subdivision, community action agency, or a limited partnership in which a community action agency is the sole general partner.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 12. **[471.3458] VOLUNTEER EMERGENCY SERVICES PROVIDERS; TIRE PURCHASES.**

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

(b) "Fire department" has the meaning given in section 299N.01, subdivision 2.

(c) "Municipality" means a statutory or home rule charter city or a town.

(d) "Volunteer emergency services provider" means a volunteer firefighter, as defined in section 299N.03, subdivision 7; volunteer ambulance attendant, as defined in section 144E.001, subdivision 15; volunteer paramedic; or any other volunteer emergency medical personnel performing emergency medical services for a municipality or fire department.

Subd. 2. **Tire purchases.** A municipality or fire department may authorize a volunteer emergency services provider who has performed services for the municipality or fire department for at least three years and who is currently performing services for the municipality or fire department to purchase up to four vehicle tires for one personal vehicle owned by the volunteer emergency services provider every three years under a contract for tires from which the municipality or fire department purchases vehicle tires. The volunteer emergency services provider must pay for any tires purchased under this section, including all applicable taxes and fees.

Subd. 3. **Authorization requirements.** (a) The authorization by a municipality or fire department to purchase tires under this section must be in writing on the municipality's or fire department's letterhead and include the following:

(1) the volunteer emergency services provider's name;

(2) the number of years the volunteer emergency services provider has performed services for the municipality or fire department;

(3) the license plate number of the personal vehicle on which the tires will be placed; and

(4) a reference to the contract under which the municipality or fire department purchases vehicle tires.

(b) The municipality or fire department must document how many tires each volunteer emergency services provider purchases during the periods specified in this section.

Sec. 13. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties ~~and~~, cities, and towns must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor.

Sec. 14. **REPEALER.**

(a) Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and 4, are repealed.

(b) Minnesota Statutes 2024, section 471.9998, is repealed."

Delete the title and insert:

"A bill for an act relating to state government operations; establishing a biennial budget; appropriating money for the legislature, certain constitutional offices, and state agencies, the Minnesota Historical Society, the Minnesota Humanities Center, certain retirement accounts, certain offices, departments, boards, commissions, councils, general contingent account, and tort claims; transferring certain funds; raising fees; making changes to policy provisions for state government operations and local government policy; modifying state personnel management policies; modifying business filing and fraud policies; requiring reports; amending Minnesota Statutes 2024, sections 3.971, subdivisions 2, 8a, 9; 11A.24, by adding a subdivision; 13.485, subdivision 1, by adding a subdivision; 13D.02, subdivisions 1, 4; 14.48, subdivisions 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision; 16A.152, subdivision 8; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48, subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivisions 1, 4; 16B.981, subdivision 4; 16B.991, subdivision 2; 16C.05, by adding a subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 2, 6, 6a, 7; 16D.09, subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9; 43A.121; 43A.15, subdivisions 4, 7, 12, 14; 43A.17, subdivision 5; 43A.181, subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23, subdivisions 1, 2; 43A.231, subdivisions 3, 4, 6; 43A.24, subdivisions 1a, 2; 43A.27, subdivisions 2, 3; 43A.33, subdivision 3; 43A.346, subdivisions 2, 6; 43A.36, subdivision 1; 43A.421; 155A.23, by adding a subdivision; 155A.27, subdivision 2; 155A.2705, subdivision 3; 155A.30, subdivision 2; 222.37, subdivision 1; 240.131, subdivision 7; 302A.153; 303.06, by adding a subdivision; 303.21; 308A.131, subdivision 2; 308B.215, subdivision 2; 317A.151, subdivision 2; 321.0206; 322C.0201, subdivision 4; 322C.0802; 323A.0101; 326.05; 326.10, subdivisions 1, 2, 10; 326.111, subdivisions 3, 4, 5, by adding a subdivision; 326A.03, subdivision 6, by adding subdivisions; 326A.14; 331A.10, subdivision 2; 349A.01, by adding a subdivision; 349A.06, subdivisions 2, 4, 11; 367.36, subdivision 1; 383C.035; 412.02, subdivision 3; 412.591, subdivision 3; 466.01, subdivision 1; 477A.017, subdivision 3; 609.48, subdivision 1; Laws 2023, chapter 62, article 1, sections 11, subdivision 2; 13; proposing

coding for new law in Minnesota Statutes, chapters 1; 15; 16B; 300; 383A; 471; repealing Minnesota Statutes 2024, sections 16B.328, subdivision 2; 16B.45; 16C.36; 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 12; 43A.318, subdivisions 1, 2, 4, 5; 211B.06; 211B.08; 383C.07; 383C.74, subdivisions 1, 2, 3, 4; 471.9998; Laws 2024, chapter 120, article 3, section 2; Minnesota Rules, part 1105.7900, item D."

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

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

S.F. No. 2082: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; amending Minnesota Statutes 2024, sections 168.27, subdivisions 8, 11, 16; 168.33, subdivision 7; 168A.10, by adding a subdivision; 169.14, subdivision 1a; 169.686, subdivision 1; 171.05, subdivision 1; 171.06, by adding a subdivision; 171.061, subdivision 4; 171.306, subdivision 8; 174.02, by adding a subdivision; 174.38, subdivision 4; 299A.01, by adding a subdivision; 360.511, by adding a subdivision; 360.531, subdivision 2; 360.55, subdivisions 4, 4a, 9, by adding subdivisions; 360.653; 473.408, by adding a subdivision; 473.4465, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, section 2, subdivisions 2, 3; Laws 2024, chapter 127, article 1, section 2, subdivision 3.

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. **TRANSPORTATION 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 trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in fiscal year 2027 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. 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. "Each year" is each of fiscal years 2026 and 2027. "The biennium" is fiscal years 2026 and 2027. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund. "Staff" means those employees who are identified in any of the following roles for the legislative committees: committee administrator, committee legislative assistant, caucus research, fiscal analysis, counsel, or nonpartisan research.

	APPROPRIATIONS Available for the Year Ending June 30 2026	2027

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation**	**$**	**4,931,001,000**	**$** **4,035,169,000**

Appropriations by Fund

	2026	2027
General	40,018,000	39,718,000
Airports	32,218,000	29,218,000
C.S.A.H.	1,110,688,000	1,142,263,000
M.S.A.S.	281,906,000	288,221,000
Trunk Highway	3,466,171,000	2,535,749,000

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**	24,348,000	21,348,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$150,000 in fiscal year 2026 is for a grant to the city of McGregor to relocate the automated weather station at the McGregor Isedor Iverson Airport.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state

airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2028 and 2029.

(2) **Aviation Support Services** 9,533,000 9,683,000

Appropriations by Fund		
General	1,843,000	1,993,000
Airports	7,690,000	7,690,000

(3) **Civil Air Patrol** 180,000 180,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation** 18,376,000 18,376,000

This appropriation is from the general fund. The base is $22,114,000 in fiscal year 2028 and $22,113,000 in fiscal year 2029.

(c) **Safe Routes to School** 1,500,000 1,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Passenger Rail** 5,943,000 5,743,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$200,000 in fiscal year 2026 is for a federal match for a service development plan for the Big Sky North Coast passenger rail corridor.

(e) **Freight** 9,215,000 9,284,000

Appropriations by Fund		
General	2,403,000	2,403,000
Trunk Highway	6,812,000	6,881,000

Subd. 3. **State Roads**

(a) **Operations and Maintenance** 441,305,000 449,274,000

The base is $455,274,000 in each of fiscal years 2028 and 2029.

(b) **Program Planning and Delivery**

(1) **Planning and Research** 37,156,000 37,244,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

$150,000 in fiscal year 2026 is to conduct autonomous mowing research and to purchase an autonomous mower suitable for commercial mowing operations. The mower must be purchased from a company based in Minnesota.

$134,000 in fiscal year 2026 and $135,000 in fiscal year 2027 are available for administrative costs of the targeted group business program.

$300,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is

functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) **Program Delivery** 287,588,000 288,701,000

Appropriations by Fund		
General	2,000,000	2,000,000
Trunk Highway	285,588,000	286,701,000

This appropriation includes use of consultants to support development and management of projects.

$1,003,000 in fiscal year 2026 and $1,005,000 in fiscal year 2027 are available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$2,000,000 in fiscal year 2026 is for project readiness development activities for a construction project that is geographically eligible for project selection under Minnesota Statutes, section 161.088, subdivision 4a, paragraph (a), clause (1).

$5,000,000 in each of fiscal years 2026 and 2027 is for the resilient pavement program under Minnesota Statutes, section 174.205. This is a onetime appropriation.

(c) **State Road Construction** 2,227,557,000 1,262,157,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

$650,000,000 in fiscal year 2026 is for the John A. Blatnik Bridge between Duluth, Minnesota, and Superior, Wisconsin. The commissioner may use up to 17 percent of the amount for program delivery. This is a onetime appropriation and is available until June 30, 2033.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to $15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base is $1,281,546,000 in each of fiscal years 2028 and 2029.

(d) **Corridors of Commerce**	30,000,000	30,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

(e) **Highway Debt Service** 300,061,000 322,048,000

$297,061,000 in fiscal year 2026 and $319,048,000 in fiscal year 2027 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) **Statewide Radio Communications** 7,052,000 7,121,000

Appropriations by Fund		
General	3,000	3,000
Trunk Highway	7,049,000	7,118,000

$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. **Local Roads**

(a) **County State-Aid Highways** 1,110,688,000 1,142,263,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the

appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) **Municipal State-Aid Streets** 281,906,000 288,221,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature

under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) **Other Local Roads** 1,750,000 1,500,000

This appropriation is from the general fund.

(1) Local Transportation Disaster Support

$1,000,000 in each of fiscal years 2026 and 2027 is to provide a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) Traffic Calming Infrastructure Improvements

$500,000 in each of fiscal years 2026 and 2027 is for grants to cities of the first class for traffic calming infrastructure improvements, including horizontal and vertical deflection elements, intersection improvements, paint, curb bump-outs, bollards, raised crosswalks, or other improvements to improve traffic safety in the right-of-way. Improvements made on nonmunicipal state-aid streets do not need to meet municipal state-aid streets standards. These are onetime appropriations. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. The commissioner must distribute the grant aid as follows:

(i) 50 percent of the funds proportionally based on each city's share of population, according to the last federal decennial census, compared to the total population of all cities of the first class; and

(ii) 50 percent of the funds proportionally based on each city's share of money needs, as determined under Minnesota Statutes, section 162.13, subdivision 2, compared to

the total money needs of all cities of the first class.

(3) Empowering Small Minnesota Communities

$250,000 in fiscal year 2026 is for transfer to the Board of Regents of the University of Minnesota for the empowering small Minnesota communities program under Minnesota Statutes, section 137.345.

Subd. 5. **Agency Management**

(a) **Agency Services**			91,533,000	95,124,000
	Appropriations by Fund			
General	6,200,000	6,200,000		
Trunk Highway	85,333,000	88,924,000		
(b) **Buildings**			44,710,000	44,802,000

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2026 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) **Tort Claims**			600,000	600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. **Transfers; General Authority**

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or

debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

Subd. 7. **Transfers; Flexible Highway Account**

The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) $21,800,000 in fiscal year 2026 to the trunk highway fund;

(2) $22,230,000 in fiscal year 2026 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The money transferred under clause (1) is appropriated from the trunk highway fund for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 8. **Contingent Appropriations**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over

transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**	**$**	**128,734,000**	**$**	**134,567,000**
The appropriations in this section are from the general fund to the Metropolitan Council.				
Subd. 2. **Transit System Operations**		16,227,000		16,227,000
This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.				
Subd. 3. **Special Transportation Service**		112,507,000		118,340,000
This appropriation is for special transportation service under Minnesota Statutes, section 473.386, including Metro Mobility and Metro Move.				

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$**	**316,228,000**	**$**	**299,658,000**

Appropriations by Fund

	2026	2027
General	37,529,000	37,563,000

H.U.T.D.	1,382,000	1,395,000
Special Revenue	80,976,000	80,443,000
Trunk Highway	196,341,000	180,257,000

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for State Patrol purposes.

Subd. 2. **Administration and Related Services**

(a) **Office of Communications** 1,198,000 1,232,000

This appropriation is from the general fund.

(b) **Public Safety Support** 11,429,000 11,473,000

Appropriations by Fund		
General	6,001,000	6,001,000
Trunk Highway	5,428,000	5,472,000

(c) **Public Safety Officer Survivor Benefits** 1,640,000 1,640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Public Safety Officer Reimbursements** 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) **Soft Body Armor Reimbursements** 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Services** 7,130,000 7,130,000

	Appropriations by Fund	
General	1,743,000	1,743,000
Trunk Highway	5,387,000	5,387,000

Subd. 3. **State Patrol**

(a) **Patrolling Highways** 165,434,000 149,300,000

	Appropriations by Fund	
General	37,000	37,000
H.U.T.D.	92,000	92,000
Trunk Highway	165,305,000	149,171,000

$1,045,000 in each year is from the trunk highway fund for recruitment and hiring initiatives. The base for this purpose is $10,365,000 in fiscal year 2028, $10,365,000 in fiscal year 2029, and $1,672,000 in each subsequent fiscal year. The amounts in fiscal years 2028 and 2029 include funding to conduct an additional annual trooper academy.

$14,935,000 in fiscal year 2026 is from the trunk highway fund to purchase and equip a helicopter. This appropriation is available until June 30, 2027.

$2,996,000 in fiscal year 2026 is from the trunk highway fund to purchase a Cirrus single-engine airplane as a replacement for the current Cessna 182 aircraft. This appropriation is available until June 30, 2027.

$490,000 in fiscal year 2026 and $340,000 in fiscal year 2027 are from the trunk highway fund for maintenance staff and aviation supervisory staff.

The base from the trunk highway fund is $158,491,000 in each of fiscal years 2028 and 2029.

(b) **Commercial Vehicle Enforcement** 18,861,000 18,861,000

(c) **Capitol Security** 19,243,000 19,243,000

This appropriation is from the general fund.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

(d) **Vehicle Crimes Unit** 1,290,000 1,303,000

This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

Subd. 4. **Driver and Vehicle Services**

(a) **Driver Services** 47,665,000 47,132,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

$317,000 in fiscal year 2026 is for rulemaking costs for the ignition interlock device program under Minnesota Statutes, section 171.306.

$218,000 in fiscal year 2026 is for costs of adding work zone safety information into the driver's manual and written examination and related rulemaking.

(b) **Vehicle Services** 31,868,000 31,868,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

$2,189,000 in each year is for payments to deputy registrars under Minnesota Statutes, section 168.33, subdivision 7, and to driver's license agents under Minnesota Statutes, section 171.061, subdivision 4.

Subd. 5. **Traffic Safety** 6,355,000 6,361,000

Appropriations by Fund		
General	4,995,000	4,995,000
Trunk Highway	1,360,000	1,366,000

$1,500,000 in each year is from the general fund for operations and traffic safety projects, grants, and activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076.

The following amounts are for the staff and operating costs related to a Traffic Safety Data Analytics Center: (1) $813,000 in each year from the general fund; and (2) $187,000 in each year from the trunk highway fund.

$2,001,000 in each year is for the drug evaluation and classification program for drug recognition evaluator training; phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); required continuing education training for drug recognition experts; program administration; grants to local law enforcement divisions; and grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures. Any balance in the first year does not cancel but is available in the second year.

Subd. 6. **Pipeline Safety** 2,003,000 2,003,000

	Appropriations by Fund	
General	560,000	560,000
Special Revenue	1,443,000	1,443,000

The appropriation from the special revenue fund is from the pipeline safety account under Minnesota Statutes, section 299J.18.

Sec. 5. **APPROPRIATION CANCELLATIONS; DEPARTMENT OF TRANSPORTATION.**

(a) $185,655,000 of the appropriation in fiscal year 2024 from the general fund for the Northern Lights Express intercity passenger rail project under Laws 2023, chapter 68, article 1, section 2, subdivision 2, paragraph (d), is canceled to the general fund.

(b) $3,130,000 of the appropriation in fiscal year 2023 from the general fund for rail corridor service analysis under Laws 2023, chapter 68, article 1, section 10, is canceled to the general fund.

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

Sec. 6. **TRANSFERS.**

(a) $8,155,000 in fiscal year 2026 and $8,284,000 in fiscal year 2027 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $8,284,000 each year from the general fund to the active transportation account, when preparing each forecast through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(b) $400,000 in fiscal year 2026 is transferred from the general fund to the local government road funding gap assistance account under Minnesota Statutes, section 162.175.

Sec. 7. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34, is amended to read:

Subd. 34. **Chisago County; U.S. Highway 8 Reconstruction** 8,000,000

(a) For a grant to Chisago County to predesign, design, engineer, and construct a reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35 and pedestrian and bike trails along and crossings of this portion of U.S. Highway 8. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S.

Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of general obligation bonds. ~~This appropriation is available until the project is completed or abandoned~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2029.

(b) Amounts planned by the Department of Transportation for the resurfacing of U.S. Highway 8, as reflected in MnDOT's Metro District Ten-Year Capital Highway Investment Study 2020-2029, shall instead be applied to the reconstruction of U.S. Highway 8 to supplement appropriations for that purpose from any fund in this section.

Sec. 8. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended by Laws 2024, chapter 127, article 1, section 10, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** 24,198,000 18,598,000

Appropriations by Fund	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is

available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

(2) **Aviation Support Services** 8,332,000 8,340,000

Appropriations by Fund	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

$28,000 in fiscal year 2022 and $36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) **Civil Air Patrol** 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation** 23,501,000 18,201,000

This appropriation is from the general fund.

$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) **Safe Routes to School** 5,500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Passenger Rail** 10,500,000 500,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, ~~2025~~ 2028.

(e) **Freight** 8,342,000 7,323,000

Appropriations by Fund

2022 2023

General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

$350,000 in fiscal year 2022 and $287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

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

Sec. 9. Laws 2021, First Special Session chapter 14, article 11, section 45, is amended to read:

Sec. 45. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

$6,200,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for project development of a land bridge freeway lid over marked Interstate Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul. This amount is available to match federal funds and for project planning and development, including area planning, community and land use planning, economic development planning, design, and project management and analysis. From this amount, the commissioner may make grants to Reconnect Rondo to perform any eligible project development activities. This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

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

Sec. 10. Laws 2023, chapter 60, article 10, section 9, is amended to read:

Sec. 9. **DEPARTMENT OF TRANSPORTATION** **$ 310,000** **$ -0-**

$310,000 the first year is ~~for awarding grants~~ to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure under Minnesota Statutes, section 16B.312. Of this amount, up to $10,000 is for the reasonable costs of the department to

administer that section. This appropriation is available until June 30, 2027.

Sec. 11. Laws 2023, chapter 68, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** 69,598,000 18,598,000

Appropriations by Fund	2024	2025
General	36,000,000	-0-
Airports	33,598,000	18,598,000

The appropriation from the state airports fund must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$36,000,000 in fiscal year 2024 is from the general fund for matches to federal aid and state investments related to airport infrastructure projects. This is a onetime appropriation and is available until June 30, 2027.

$15,000,000 in fiscal year 2024 is from the state airports fund for system maintenance of critical airport safety systems, equipment, and essential airfield technology.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, the appropriation from the state airports fund is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to

the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

(2) **Aviation Support Services** 15,397,000 8,431,000

Appropriations by Fund	2024	2025
General	8,707,000	1,741,000
Airports	6,690,000	6,690,000

$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) **Civil Air Patrol** 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation** 58,478,000 18,374,000

This appropriation is from the general fund.

$200,000 in fiscal year 2024 and $50,000 in fiscal year 2025 are for a grant to the city of Rochester to implement demand response transit service using electric transit vehicles. The money is available for mobile software application development; vehicles and equipment, including accessible vehicles; associated charging infrastructure; and capital and operating costs.

$40,000,000 in fiscal year 2024 is for matches to federal aid and state investments related to transit and active transportation projects. This is a onetime appropriation and is available until June 30, 2027.

(c) **Safe Routes to School** 15,297,000 10,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is $1,500,000 in each of fiscal years 2026 and 2027.

(d) **Passenger Rail** 197,521,000 4,226,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$194,700,000 in fiscal year 2024 is for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, equipment and rolling stock, and construction. From this appropriation, the amount necessary is for: (1) Coon Rapids station improvements to establish a joint station that provides for Amtrak train service on the Empire Builder line between Chicago and Seattle; and (2) acquisition of equipment and rolling stock for purposes of participation in the Midwest fleet pool to provide for service on Northern Lights Express and expanded Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner of transportation must not approve additional stops or stations beyond those included in the Federal Railroad Administration's January 2018 Finding of No Significant Impact and Section 4(f) Determination if the commissioner determines that the resulting speed reduction would negatively impact total ridership. This

appropriation is onetime and is available until June 30, 2028.

$1,833,000 in fiscal year 2024 and $3,238,000 in fiscal year 2025 are for a match to federal aid for capital and operating costs for expanded Amtrak train service between Minneapolis and St. Paul and Chicago. These amounts are available until June 30, 2028.

The base from the general fund is $5,742,000 in each of fiscal years 2026 and 2027.

(e) **Freight** 14,650,000 9,066,000

Appropriations by Fund	2024	2025
General	8,283,000	2,400,000
Trunk Highway	6,367,000	6,666,000

$5,000,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

$1,000,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

$974,000 in fiscal year 2024 is from the general fund for procurement costs of a statewide freight network optimization tool under Laws 2021, First Special Session chapter 5, article 4, section 133. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 12. Laws 2023, chapter 68, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance**	414,220,000	425,341,000

Appropriations by Fund	2024	2025
General	2,000,000	-0-
Trunk Highway	412,220,000	425,341,000

$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325. This amount is available until June 30, 2027.

$248,000 in each year is from the trunk highway fund for living snow fence implementation and maintenance activities.

$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065, including development and delivery of public awareness and education campaigns about safe road zones.

(b) **Program Planning and Delivery**		
(1) **Planning and Research**	32,679,000	33,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

$130,000 in each year is available for administrative costs of the targeted group business program.

$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more

political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) **Program Delivery** 274,451,000 273,985,000

Appropriations by Fund	2024	2025
General	2,250,000	2,000,000
Trunk Highway	272,201,000	271,985,000

This appropriation includes use of consultants to support development and management of projects.

$10,000,000 in fiscal year 2024 is from the trunk highway fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners. This is a onetime appropriation and is available until June 30, 2026.

$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

$1,193,000 in fiscal year 2024 is from the trunk highway fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering. This amount is available until June 30, 2027.

$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Fuel Standard Working Group established under article 4, section 124.

$1,000,000 in each year is available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) **State Road Construction** 1,207,013,000 1,174,045,000

Appropriations by Fund	2024	2025
General	1,800,000	-0-
Trunk Highway	1,205,213,000	1,174,045,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

$1,500,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and

planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to $15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base from the trunk highway fund is $1,161,813,000 in each of fiscal years 2026 and 2027.

(d) **Corridors of Commerce**	25,000,000	25,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

(e) **Highway Debt Service**	268,336,000	291,394,000

$265,336,000 in fiscal year 2024 and $288,394,000 in fiscal year 2025 are for

transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) **Statewide Radio Communications** 8,653,000 6,907,000

Appropriations by Fund	2024	2025
General	2,003,000	3,000
Trunk Highway	6,650,000	6,904,000

$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for Emergency Response (ARMER) tower building improvements and replacement.

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

Sec. 13. Laws 2023, chapter 68, article 1, section 4, subdivision 5, is amended to read:

Subd. 5. **Traffic Safety** 9,504,000 4,249,000

Appropriations by Fund	2024	2025
General	8,803,000	3,494,000
Trunk Highway	701,000	755,000

$1,000,000 in fiscal year 2024 is from the general fund for grants to local units of government to perform additional traffic safety enforcement activities in safe road zones under Minnesota Statutes, section

169.065. In allocating funds, the commissioner must account for other sources of funding for increased traffic enforcement.

$2,000,000 in fiscal year 2024 is from the general fund for grants to local units of government to increase traffic safety enforcement activities, including training, equipment, overtime, and related costs for peace officers to perform duties that are specifically related to traffic management and traffic safety.

$2,000,000 in fiscal year 2024 is from the general fund for grants to law enforcement agencies to undertake targeted speed reduction efforts on rural high-risk roadways identified by the commissioner based on crash information and consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners.

$50,000 in fiscal year 2024 is from the general fund for an education and awareness campaign on motor vehicles passing school buses, designed to: (1) help reduce occurrences of motor vehicles unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding and unloading from school buses, including laws requiring a motor vehicle to stop when a school bus has extended the stop-signal arm and is flashing red lights and penalties for violations. The commissioner must identify best practices, review effective communication methods to educate drivers, and consider multiple forms of media to convey the information.

$100,000 in fiscal year 2024 is from the general fund for a public awareness campaign to promote understanding and compliance with laws regarding the passing of parked authorized vehicles.

$350,000 in fiscal year 2024 is from the general fund for grants to local units of

government for safe ride programs that provide safe transportation options for patrons of hospitality and entertainment businesses within a community.

$250,000 in fiscal year 2024 is from the general fund for the traffic safety violations disposition analysis under article 4, section 109.

$2,000,000 in each year is from the general fund for operations and traffic safety projects, grants, and activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076. These amounts are available until June 30, 2027.

$98,000 in each year is from the general fund to coordinate a statewide traffic safety equity program, including staff costs.

The following amounts are for the staff and operating costs related to a Traffic Safety Data Analytics Center: (1) $407,000 in fiscal year 2024 and $813,000 in fiscal year 2025 from the general fund; and (2) $140,000 in each year is from the trunk highway fund. The base from the trunk highway fund is $187,000 in each of fiscal years 2026 and 2027.

Sec. 14. Laws 2023, chapter 68, article 2, section 2, subdivision 9, as amended by Laws 2024, chapter 104, article 1, section 105, is amended to read:

Subd. 9. **U.S. Highway 8; Chisago County** 42,000,000

This appropriation is for predesign, design, engineering, and reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to marked Interstate Highway 35, including pedestrian and bike trails along and crossings of this segment of marked U.S. Highway 8. The reconstruction project may include expanding segments of marked U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This

appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond sale proceeds for this project are available until December 31, 2029.

Sec. 15. Laws 2024, chapter 127, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance**	-0-	2,405,000

$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

$1,000,000 in fiscal year 2025 is for landscaping improvements located within trunk highway rights-of-way ~~under the Department of Transportation's community roadside landscape partnership program~~, with prioritization of tree planting as feasible.

$1,000,000 is from the general fund for the traffic safety camera pilot program under Minnesota Statutes, section 169.147, and the evaluation and legislative report under article 3, sections 116 and 117. With the approval of the commissioner of transportation, any portion of this appropriation is available to the commissioner of public safety. This is a onetime appropriation and is available until June 30, 2029.

$105,000 in fiscal year 2025 is for the cost of staff time to coordinate with the Public Utilities Commission relating to placement of high voltage transmission lines along trunk highways.

(b) **Program Planning and Delivery**	-0-	5,800,000

$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is

a onetime appropriation and is available until June 30, 2026.

$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for modeling activities related to the requirements under Minnesota Statutes, section 161.178. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

$2,000,000 in fiscal year 2025 is to complete environmental documentation and for preliminary engineering and design for the reconstruction of marked Trunk Highway 55 from Hennepin County State-Aid Highway 19, north of the city of Loretto to Hennepin County Road 118 near the city of Medina. This is a onetime appropriation and is available until June 30, 2027.

(c) **State Road Construction** -0- 10,900,000

$8,900,000 in fiscal year 2025 is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation and is available until June 30, 2028.

$1,000,000 in fiscal year 2025 is for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation.

$1,000,000 in fiscal year 2025 is to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction. This is a onetime appropriation and is available until June 30, 2027.

(d) **Highway Debt Service** -0- 468,000

This appropriation is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

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

Sec. 16. Laws 2024, chapter 127, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **Traffic Safety** -0- 1,400,000

Notwithstanding Minnesota Statutes, section 299A.705, regarding the use of funds from this account, $1,200,000 in fiscal year 2025 is from the driver and vehicle services operating account in the special revenue fund for the Lights On grant program under

Minnesota Statutes, section 169.515. The commissioner must contract with the Lights On! microgrant program to administer and operate the grant program. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

$200,000 in fiscal year 2025 is from the motorcycle safety account in the special revenue fund for the public education campaign on motorcycle operation under article 3, section 122. This is a onetime appropriation and is available until June 30, 2027.

Sec. 17. **ALLOCATION; METROPOLITAN COUNCIL; WASHINGTON AVENUE PEDESTRIAN BRIDGE.**

(a) Of the revenue collected under Minnesota Statutes, section 297A.9915, and allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (1), the Metropolitan Council must provide a grant of $9,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota to be spent in accordance with Minnesota Statutes, section 135A.046. This section is notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) This grant must be used to design and construct pedestrian enclosure and suicide deterrent barriers on the Washington Avenue Pedestrian Bridge on the Twin Cities campus, including temporary barrier improvements and permanent barriers. The board must consult with persons affected by suicide at this bridge, suicide prevention organizations, and experts in the field of suicide prevention in designing the project.

(c) Any amount allocated under this section and not used by June 30, 2027, cancels to the Metropolitan Council for its original purpose.

Sec. 18. **ALLOCATION; METROPOLITAN COUNCIL; TRANSPORTATION MANAGEMENT ORGANIZATIONS.**

(a) Of the revenue collected under Minnesota Statutes, section 297A.9915, and allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), the Metropolitan Council must provide grants that total $1,406,000 in fiscal year 2026 to transportation management organizations in the metropolitan area. This section is notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) The grants must be allocated as follows:

(1) $600,000 to the I-494 Corridor Commission;

(2) $600,000 to the St. Paul transportation management organization; and

(3) $206,000 to the downtown Minnepolis transportation management organization.

Sec. 19. **MICROTRANSIT SERVICE.**

From sales tax revenue, as defined in Minnesota Statutes, section 473.4465, subdivision 1, the Metropolitan Council must provide financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for improvements related to demand response transit service. The council must make grants in fiscal year 2026 as follows:

(1) $2,300,000 to Minnesota Valley Transit Authority for vehicle costs;

(2) $3,500,000 to Minnesota Valley Transit Authority for infrastructure and other capital costs;

(3) $3,000,000 to SouthWest Transit for vehicle costs, infrastructure, and other capital costs; and

(4) $200,000 to Maple Grove Transit for vehicle costs.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

TRUNK HIGHWAY BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation or other named entity to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

Department of Transportation	$	100,000,000
Department of Management and Budget	$	100,000
TOTAL	**$**	**100,100,000**

APPROPRIATIONS

Sec. 2. **STATE ROAD CONSTRUCTION**	$	100,000,000

This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. The commissioner may use up to 17 percent of the amount for program delivery.

Sec. 3. **BOND SALE EXPENSES** **$** **100,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $100,100,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 3

TRANSPORTATION FINANCE POLICY

Section 1. Minnesota Statutes 2024, section 4.076, subdivision 4, is amended to read:

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment on ~~all grants dealing with traffic safety and on~~ the development and implementation of state and local traffic safety plans; ~~and~~

(6) advise the commissioner of public safety on grant agreements for projects under subdivision 5, paragraph (g); and

(7) make recommendations on safe road zone safety measures under section 169.065.

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

Sec. 2. Minnesota Statutes 2024, section 4.076, subdivision 5, is amended to read:

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D. The advisory council may host an annual state traffic safety conference.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

(f) The commissioner of public safety may enter into contracts and interagency agreements for data, expertise, and research projects to inform the advisory council.

(g) The commissioner of public safety may enter into grant agreements for projects that reduce serious and fatal injury crashes. Priority for grant awards must be given to local traffic safety coalitions. Local units of government, nonprofit organizations, law enforcement agencies, and educational institutions are also eligible for grant awards.

(h) For purposes of paragraph (g), "projects that reduce serious and fatal injury crashes" include but are not limited to the following activities:

(1) improvements to rural high-risk roads;

(2) traffic safety training for law enforcement;

(3) safe and sober rides home programming;

(4) the study of motorcycle operation under the circumstances specified in section 169.974, subdivision 5, paragraph (g);

(5) work zone safety and work zone redesign activities; and

(6) safe road zones.

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

Sec. 3. Minnesota Statutes 2024, section 16A.88, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account is established within the transit assistance fund in the state treasury. Money in the account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. The commissioner may use up to two percent of the available revenues in the account in each fiscal year for administration of the transit program. The commissioner ~~shall~~ must use the account for transit operations as provided in section 174.24 and related program administration. The commissioner may maintain a reserved balance in the account of no more than five percent of the total annual transit assistance fund balance forward from the previous fiscal year.

Sec. 4. **[137.345] EMPOWERING SMALL MINNESOTA COMMUNITIES PROGRAM.**

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

(b) "Program" means the empowering small Minnesota communities program established by the Board of Regents of the University of Minnesota.

(c) "Small community" means either a local unit of government having a population of fewer than 15,000 or a collaboration between more than one local unit of government each having a population of fewer than 15,000.

Subd. 2. **Program assistance.** (a) An empowering small Minnesota communities program is established to create small community partnerships on infrastructure project analysis and development and provide support and assistance for small communities. Funds appropriated to the program must be used as specified in subdivision 3.

(b) Support and assistance under the program must be prioritized for a small community that is a political subdivision or federally recognized Tribal government. Prioritization must be based on insufficient capacity to undertake project development and apply for state or federal infrastructure grants.

Subd. 3. **Uses.** (a) Program activities under the program include:

(1) project partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities; and

(2) support and assistance to small communities including:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets.

(b) An agreement with a small community may provide for infrastructure project analysis and development activities including but not limited to planning, scoping, analysis, predesign, and design.

Subd. 4. **Program information.** The Board of Regents must maintain information about the program on a website that includes but is not limited to the following:

(1) a review of the program and implementation;

(2) a summary of projects under the program;

(3) financial information that identifies sources and uses of funds; and

(4) direction on applications for partnership assistance.

Sec. 5. Minnesota Statutes 2024, section 160.165, is amended to read:

160.165 MITIGATING TRANSPORTATION PROJECT IMPACTS ON BUSINESS.

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

(b) "Business impairment" has the meaning given in section 160.167, subdivision 1.

~~(1)~~ (c) "Project" means construction work to maintain, construct, reconstruct, or improve a street or highway or for a rail transit project~~;~~.

~~(2)~~ (d) "Substantial business impacts" means business impairment ~~of road access, parking, or visibility for one or more business establishments~~ as a result of a project, for a ~~minimum~~ period of at least one month~~; and~~.

~~(3)~~ (e) "Transportation authority" means the commissioner, as to trunk highways; the county board, as to county state-aid highways and county highways; the town board, as to town roads; statutory or home rule charter cities, as to city streets; the Metropolitan Council, for rail transit projects located entirely within the metropolitan area as defined in section 473.121, subdivision 2; and the commissioner, for all other rail transit projects.

Subd. 2. **Business liaison.** (a) Before beginning construction work on a project, a transportation authority ~~shall~~ must identify whether the project is anticipated to include substantial business impacts. For such projects, the transportation authority ~~shall~~ must designate an individual to serve as business liaison between the transportation authority and affected businesses.

(b) The business liaison ~~shall~~ must consult with affected businesses before and during construction to investigate and recommend means of mitigating project impacts to businesses. The mitigation

considered must include signage. The business liaison ~~shall~~ must provide information to the identified businesses before and during construction, concerning project duration and timetables, lane and road closures, detours, access impacts, customer parking impacts, visibility, noise, dust, vibration, and public participation opportunities.

(c) The business liaison must inform affected businesses about potential opportunities for small business technical and financial assistance, including those available through the Department of Employment and Economic Development, the Small Business Administration, and area community development financial institutions. When requested, the business liaison must assist affected businesses to access and apply for appropriate assistance programs.

Subd. 4. **Construction communication plan.** (a) A transportation authority must implement a construction communication plan for each project in which a business liaison is required under subdivision 2. The transportation authority must develop the plan in consultation with the business liaison during project development.

(b) At a minimum, the communication plan must include:

(1) identification of methods to distribute project information;

(2) procedures to distribute construction-related notices to affected businesses, tenants, and other property owners;

(3) development of information on the project, including but not limited to the information specified under subdivision 2, paragraph (b); small business and technical assistance opportunities under subdivision 2, paragraph (c); and, as appropriate, potential financial assistance under the local business construction impacts assistance program under section 160.167; and

(4) a schedule and milestones for issuance of project updates, including but not limited to immediately prior to commencement of construction work and following any change in the scheduled date of substantial completion of the project.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects in which construction first commences on or after November 1, 2025.

Sec. 6. **[160.167] LOCAL BUSINESS CONSTRUCTION IMPACTS ASSISTANCE PROGRAM.**

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

(b) "Business entity" includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative.

(c) "Business impairment" means impairment to a business establishment or nonprofit organization of at least one of the following:

(1) access to a retail location from:

(i) a project that is on a road that abuts the location and includes partial or full closure of the road within 1,000 feet of the location; or

(ii) more than one simultaneous project on a road that abuts the location in which a portion of each project (A) is within two miles of the location, and (B) includes partial or full closure of the road; or

(2) visibility of the primary identifying signage or entrance.

(d) "Covered project" means a project to maintain, construct, reconstruct, or improve a trunk highway within a statutory or home rule charter city, a county state-aid highway, a municipal state-aid street, a transitway, or a combination.

(e) "Extensive business impacts" means business impairment as a result of a covered project for a period of at least 60 days.

(f) "Program" means the local business construction impacts assistance program established in this section.

(g) "Transportation authority" means either:

(1) the commissioner of transportation for a trunk highway within a statutory or home rule charter city, a county state-aid highway, a municipal state-aid street, or a combination; or

(2) the Metropolitan Council for a transitway located entirely within the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. **Program established.** The commissioner must establish a program for financial assistance to eligible entities adversely impacted by street, highway, or transitway construction activity on covered projects.

Subd. 3. **Administration.** The commissioner must establish program requirements, including application procedures that minimize applicant burdens, eligibility criteria for recipients, qualifications for determining business impairment, program allocation amounts from project costs, the distribution amount and formula used to determine the distribution amount, and procedures for distribution of financial assistance. The commissioner must implement the program to provide financial assistance payments in a timely manner that are, to the extent practicable, before or during the time period of the extensive business impacts.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to projects in which construction first commences on or after October 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 161.045, is amended to read:

161.045 HIGHWAY USER TAX DISTRIBUTION FUND APPROPRIATIONS; TRUNK HIGHWAY FUND APPROPRIATIONS.

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

(b) "Commissioner" means any commissioner of a state agency that either proposes to spend or spends funds out of the highway user tax distribution fund or the trunk highway fund.

(c) "Highway purposes" includes but is not limited to:

(1) construction, improvement, maintenance, and operations of a highway;

(2) multimodal infrastructure within a highway right-of-way related to any of the following: (i) transit; (ii) active transportation; and (iii) reduction of greenhouse gas emissions; and

(3) activities directly related to, or necessary to administer or support, the purposes specified in clauses (1) and (2).

(d) "Trunk highway purposes" includes but is not limited to highway purposes for the trunk highway system.

Subd. 2. **General expenditure requirements.** A commissioner may expend highway user tax distribution funds only for highway purposes and may expend trunk highway funds only for trunk highway purposes.

Subd. 3. **Limitations on spending.** (a) A commissioner must not pay for any of the following with funds from the highway user tax distribution fund or the trunk highway fund:

(1) Bureau of Criminal Apprehension laboratory;

(2) Explore Minnesota Tourism kiosks;

~~(3) Minnesota Safety Council;~~

~~(4) driver education programs;~~

~~(5)~~ (3) Office of Emergency Medical Services;

~~(6)~~ (4) Mississippi River Parkway Commission;

~~(7)~~ (5) payments to the Department of Information Technology Services in excess of actual costs incurred for trunk highway purposes;

~~(8)~~ (6) personnel costs incurred on behalf of the governor's office;

~~(9)~~ (7) the Office of Aeronautics within the Department of Transportation;

~~(10) the Office of Transit and Active Transportation within the Department of Transportation;~~

~~(11) the Office of Passenger Rail;~~

~~(12)~~ (8) purchase and maintenance of soft body armor under section 299A.38;

~~(13)~~ (9) tourist information centers;

~~(14)~~ (10) parades, events, or sponsorships of events;

~~(15) the installation, construction, expansion, or maintenance of public electric vehicle infrastructure;~~

~~(16)~~ (11) the statewide notification center for excavation services pursuant to chapter 216D; and

~~(17)~~ (12) manufacturing license plates.

(b) The prohibition in paragraph (a) includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named in this subdivision.

Sec. 8. Minnesota Statutes 2024, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner must establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

(1) made specifically by law for use under this section;

(2) reallocated efficiency savings from section 174.53, paragraph (b);

(3) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and

~~(3)~~ (4) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner must include in the program the cost participation policy for local units of government.

(d) The commissioner may use up to 17 percent of any appropriation under this section for program delivery and for project scoring, ranking, and selection under subdivision 5.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to funds reallocated on or after that date.

Sec. 9. Minnesota Statutes 2024, section 161.115, subdivision 177, is amended to read:

Subd. 177. **Route No. 246.** Beginning at a point in or adjacent to Nerstrand; thence extending in a general northerly direction to a point westerly of Dennison; thence continuing in a general northwesterly direction to a point ~~on Route No. 1 at or~~ near 110th Street East near Northfield.

EFFECTIVE DATE. This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 10. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 108. **Officer Jason B. Meyer Memorial Highway.** The segment of marked U.S. Highway 63 from the intersection with marked Trunk Highway 16 to the southerly city limit of Racine is designated as "Officer Jason B. Meyer Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 11. **[161.1611] PURPOSE AND NEED STATEMENT CONTEXTUAL DEVELOPMENT REQUIREMENTS; SCOPING PROCESS REQUIRED.**

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

(1) "planning worksheet scoping guide" means a checklist of considerations developed by the commissioner to consider with stakeholders for determining a project's scope in the scoping document;

(2) "project" means the scoping, assessment, study, or other analysis activity designed to identify or provide for development of a trunk highway project;

(3) "purpose and need" is a statement by the department to explain why a proposed action is being undertaken and its objectives by:

(i) identifying the need as a transportation problem or deficiency; and

(ii) identifying the purpose as a broad statement of the intended transportation result and other related objectives to be achieved by a proposed transportation improvement; and

(4) "scoping document" means a document that identifies a statement of what will be built as part of the project.

Subd. 2. **Application.** (a) The requirements in this section apply to a project that:

(1) involves construction, reconstruction, bridge replacement, increases or reductions in highway traffic capacity, alteration of access, or acquisitions of permanent right-of-way; or

(2) requires an environmental impact statement under chapter 116D for the project.

(b) Except for a project under paragraph (a), clause (1), the requirements in this section do not apply to reconditioning, resurfacing, milling, overlays, preventive maintenance, other routine roadway maintenance activities or projects, and associated set-asides.

Subd. 3. **Purpose and need.** (a) A purpose and need statement developed for a project must not identify a specific improvement as the need to avoid premature determination of investment approaches available for the project. Purpose and need statements must consider all possible approaches for a project and address the safety and access of all users of the transportation system.

(b) The commissioner must ensure that a purpose and need statement for a project can assess whether the need for a project is substantial enough to warrant investment inclusion in the state transportation improvement program, including relaxing expectations around the use of level-of-service metrics as the primary need for a project's development.

(c) The commissioner must incorporate multidisciplinary review processes under section 174.742 into the development of a context-specific purpose and need statement.

Subd. 4. **Scope; required before inclusion.** (a) The commissioner must require the use of a context-specific scoping document to identify the needs for a project before the project's inclusion in the state highway investment program. The scope document must conform with any adopted guidance by the commissioner and must:

(1) include a checklist of interested stakeholders to engage in the planning, design, and development of projects;

(2) recognize the degrees of variability and complexity across different project types; and

(3) require a context and modal accommodation analysis to:

(i) determine what modes of transportation are appropriate for the project corridor;

(ii) structure and document discussions around tradeoffs during early project development;

(iii) establish a suggested baseline for which modes should be prioritized based on the roadway type and land use context; and

(iv) provide a series of factors and questions to consider that would raise or lower the priority of each mode.

(b) Before finalization of any scoping document or draft scoping document for a project, the commissioner must require a coordination field visit and walking audit of the project corridor. To implement the requirements of this paragraph, the commissioner must develop guidance on coordinated field visits to:

(1) begin the initial engagement process with stakeholders for projects;

(2) provide guidance on what staff should identify in observing current conditions for all modes of travel and the surrounding land use; and

(3) coordinate across different jurisdictions to ensure collaboration and field visits at similar times in the project timeline.

Subd. 5. **Implementation.** The commissioner must implement the requirements of this section in a manner that does not conflict with the requirements under chapter 116D and the National Environmental Policy Act under United States Code, title 42, section 4331, et seq.

EFFECTIVE DATE. Subdivisions 1, 2, 3, and 5 are effective March 1, 2027, for projects on or after that date. Subdivision 4 is effective July 1, 2025, for projects scoped on or after that date.

Sec. 12. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

Subd. 1a. **State-aid standards.** Design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing county state-aid projects approved by the state-aid

engineer are determined and set by the most recent edition of the Facility Design Guide or successor document established by the commissioner.

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

Sec. 13. Minnesota Statutes 2024, section 162.02, subdivision 3a, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

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

(1) identify the project by location and termini;

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

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

(i) an index map; and

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

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

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

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

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

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

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

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

Sec. 15. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

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

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

Sec. 16. Minnesota Statutes 2024, section 162.09, subdivision 3a, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

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

(1) identify the project by location and termini;

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

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

(i) an index map; and

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

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

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

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

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

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

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

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

Sec. 18. **[162.095] ADVISORY COMMITTEE ON DESIGN VARIANCES.**

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

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

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

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

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

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

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

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

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

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

Subd. 3. **Operating procedure; open meeting law.** (a) The advisory committee must meet at the call of the commissioner, at which time the committee must be instructed as to the committee's responsibilities by a designee of the commissioner. The members of the advisory committee must elect a chair from the members of the group at the initial meeting and may set bylaws and procedures to investigate the requested variance.

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2024, section 162.155, is amended to read:

162.155 RULEMAKING.

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

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

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

Sec. 20. **[162.175] LOCAL GOVERNMENT ROAD FUNDING GAP ASSISTANCE.**

Subdivision 1. **Local government road funding gap assistance account.** A local government road funding gap assistance account is created in the special revenue fund. The account consists of money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner of transportation and may only be expended as provided under this section. Notwithstanding section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs.

Subd. 2. **Distribution.** (a) The commissioner must annually distribute, transfer, or grant the available money in the local government road funding gap assistance account equally among all eligible recipients. Money distributed under this section is available only for design, engineering, construction, reconstruction, and maintenance of roads solely under the jurisdiction of the recipient.

(b) For purposes of this section, "eligible recipient" or "recipient" means a political subdivision that:

(1) has a directly elected governing board;

(2) maintains sole jurisdiction over a roadway system;

(3) does not receive direct dedicated funding under section 162.07, 162.13, 162.145, 162.146, 297A.815, or 297A.9915; and

(4) either:

(i) has a population greater than 10,000 according to the last two federal decennial censuses; or

(ii) is contained within a city of the first class.

Sec. 21. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. **Electric vehicle.** ~~In addition to the tax under subdivision 1a~~ (a) Subject to paragraph (b), a surcharge of ~~$75~~ $200 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) Subject to paragraph (b), a surcharge of $100 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 23. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1o. **All-electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $40 is imposed for an all-electric motorcycle as defined in section 169.011, subdivision 1b. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 24. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1p. **Plug-in hybrid electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $20 is imposed for a plug-in hybrid electric motorcycle as defined in section 169.011, subdivision 54c. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 25. Minnesota Statutes 2024, section 168.091, is amended to read:

168.091 ~~31-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.

Subdivision 1. **Nonresident buyer.** (a) Upon payment of a fee of $1, the commissioner may issue a permit to a nonresident purchasing a vehicle in this state for the sole purpose of allowing the vehicle to be removed from this state.

(b) The permit is in lieu of any other registration or taxation for use of the highways and is valid for a period of ~~31~~ 60 days from the date of sale, trade, or gift.

(c) The permit must be available in an electronic format as determined by the commissioner.

(d) If the sale, gift, or trade information is electronically transmitted to the commissioner by a dealer or deputy registrar of motor vehicles, the $1 fee is waived.

(e) The permit must be affixed to the rear of the vehicle where it is plainly visible. Each permit is valid only for the vehicle for which the permit was issued.

Subd. 2. **Dealer.** The registrar may issue permits to licensed dealers upon payment of the proper fee for each permit.

Subd. 3. **Proceeds to highway user fund.** All payments received for such permits shall be paid into the state treasury and credited to the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 26. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:

Subd. 16. **Dealer plates: distinguishing number, fee, tax, use.** (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is $75 per registration year, of which $60 must be paid to the registrar and the remaining $15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of $25 and a sales tax on motor vehicles of $15 per registration year. The registrar shall deposit the tax in the state treasury to be credited as provided in section 297B.09. Replacement plates are subject to the fees in section 168.12. Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or used by the dealer as a tow truck, service truck, or parts vehicle, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for use as a courtesy vehicle provided to a customer of the dealership while the customer's vehicle is being repaired;

(4) for demonstration purposes by any prospective buyer for a period of ~~48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven~~ 14 days; or

~~(4)~~ (5) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under clause (2) before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

(c) All vehicles displaying a dealer plate issued under this subdivision must carry written documentation within the vehicle that includes:

(1) a valid driver's license;

(2) proof of insurance;

(3) the reason for use; and

(4) if the vehicle is for use as a courtesy vehicle under paragraph (a), clause (3), a courtesy vehicle user agreement that includes a list of authorized drivers for the vehicle and their driver's license numbers and the start and end dates of use.

(d) For purposes of paragraph (a), a "courtesy vehicle" means a passenger-class motor vehicle that a motor vehicle dealer temporarily provides at no or minimal cost to customers for customer service or mobility purposes while the customer's vehicle is serviced, repaired, or maintained. A courtesy vehicle with a dealer plate meeting the requirements of paragraph (a) is not subject to the 72-hour restriction specified in paragraph (b).

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

Sec. 27. Minnesota Statutes 2024, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes:

(1) an $8 filing fee is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) a $12 filing fee is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, the filing fees imposed under paragraph (a), and the surcharge imposed under paragraph (f) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the payment made under this paragraph not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) $6.50 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(ii) $1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3; and

(2) of the fees collected under paragraph (a), clause (2):

(i) $3.50 must be deposited in the general fund;

(ii) $7 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(iii) $1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3.

(f) In addition to all other statutory fees and taxes, a deputy registrar must assess a $1 surcharge on every transaction for which filing fees are collected under this subdivision. The surcharge authorized by this paragraph must be (1) deposited in the treasury of the place for which the deputy registrar is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy registrar. For purposes of this paragraph, a deputy registrar does not include the commissioner.

(g) The commissioner must issue payment to a deputy registrar as follows:

(1) $2 for paying an account balance;

(2) $4 for the following transactions:

(i) updating a vehicle's address or the county in which the vehicle is kept;

(ii) changing or verifying an address related to the International Registration Plan or the International Fuel Tax Agreement;

(iii) updating contact information for the International Registration Plan or the International Fuel Tax Agreement;

(iv) processing a vehicle that has been sold, donated, or removed from the state; and

(v) marking a vehicle as junked;

(3) $8 for the following transactions:

(i) changing a customer's personal identification number;

(ii) adding or removing liens for veterans with a total service-connected disability;

(iii) providing a duplicate title;

(iv) issuing International Fuel Tax Agreement decals;

(v) managing an International Fuel Tax Agreement license; and

(vi) administrative review requests; and

(4) the amount of the fee established under paragraph (a), clause (2), for the following transactions:

(i) vehicle renewal for veterans with a total service-connected disability;

(ii) plate change for veterans with a total service-connected disability;

(iii) correcting or changing title and vehicle details;

(iv) issuing a new disability parking certificate;

(v) new title and registration for veterans with a total service-connected disability;

(vi) transferring title and registration for veterans with a total service-connected disability; and

(vii) replacing plates, stickers, or registration cards.

(h) The following transactions for which no filing fee is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the deputy registrar; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(i) If the amount appropriated for payments under paragraph (g) is insufficient, the commissioner must prorate the payments.

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

Sec. 28. Minnesota Statutes 2024, section 168A.10, is amended by adding a subdivision to read:

Subd. 7. **Removal of license plates.** If an owner transfers interest in a vehicle other than by the creation of a security interest or as defined in section 297B.01, subdivision 16, paragraph (c), clauses (1) to (5), the owner must remove the existing license plates from the vehicle, and the purchaser must, at the time of transfer, obtain new plates for the vehicle and pay the fees specified in section 168.12, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2026, for vehicles transferred on or after that date.

Sec. 29. Minnesota Statutes 2024, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer must also, in the space provided on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee must complete the application for title section on the certificate of title or separate title application form prescribed by the commissioner. The dealer must mail or deliver the certificate to the commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer must remove any license plates from the vehicle, issue a ~~31-day~~ 60-day temporary permit pursuant to section 168.091, and notify the commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of $7 per transaction to provide this service.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 30. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 1b. **All-electric motorcycle.** (a) "All-electric motorcycle" means an electric motorcycle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current.

(b) All-electric motorcycle excludes a plug-in hybrid electric motorcycle.

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

Sec. 31. Minnesota Statutes 2024, section 169.011, subdivision 36, is amended to read:

Subd. 36. **Intersection.** ~~(a)~~ "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

~~(b) Where a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection.~~

Sec. 32. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 54c. **Plug-in hybrid electric motorcycle.** "Plug-in hybrid electric motorcycle" means an electric motorcycle that:

(1) contains an internal combustion engine and also allows power to be delivered to the drive wheels by a battery-powered electric motor;

(2) when connected to the electrical grid via an electrical outlet, is able to recharge its battery; and

(3) has the ability to travel at least 20 miles powered substantially by electricity.

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

Sec. 33. Minnesota Statutes 2024, section 169.06, subdivision 5, is amended to read:

Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow ~~shall~~ are permitted to be used, except for special pedestrian signals carrying a word or ~~legend~~ symbol. The traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign prohibits either turn. But vehicular traffic, including vehicles turning right or left, ~~shall~~ must yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left ~~shall~~ must yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by the arrow, or other movement as permitted by other indications shown at the same time. Vehicular traffic ~~shall~~ must yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian, except that the pedestrian ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby warned that the related green movement or flashing yellow movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and ~~no~~ a pedestrian ~~shall~~ must not then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and ~~shall~~ must remain standing until a green indication is shown, except as follows:

(A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or

(B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left ~~shall~~ must stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement,

but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone ~~shall~~ must not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required must be made at a sign or marking on the pavement indicating where the stop must be made, but in the absence of any such sign or marking the stop must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection controls vehicular traffic for that movement or lane.

(d) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (a), clause (2), item (ii), or (3), item (ii), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 34. Minnesota Statutes 2024, section 169.06, subdivision 6, is amended to read:

Subd. 6. **Pedestrian control signal.** (a) Whenever special pedestrian-control signals exhibiting the words "Walk" or "Don't Walk" or symbols of a "walking person" or "upraised hand" are in place, the signals or symbols indicate as follows:

(1) A steady "Walk" signal or the symbol of a "walking person" indicates that a pedestrian facing either of these signals may proceed across the roadway in the direction of the signal, possibly in conflict with turning vehicles. Every driver of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian except that the pedestrian ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that either signal indication is first shown.

(2) A "Don't Walk" signal or the symbol of an "upraised hand," flashing or steady, indicates that a pedestrian ~~shall~~ must not start to cross the roadway in the direction of either signal, but any pedestrian who has partially crossed on the "Walk" or "walking person" signal indication ~~shall~~ must proceed to a sidewalk or safety island while the signal is showing.

(b) A pedestrian crossing a roadway in conformity with this section is lawfully within the intersection and, when in a crosswalk, is lawfully within the crosswalk.

(c) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (a), clause (2), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 35. Minnesota Statutes 2024, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** (a) A peace officer who investigates in the regular course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury ~~to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident~~;

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (b) must be reported under the requirements of this section.

Sec. 36. Minnesota Statutes 2024, section 169.14, is amended by adding a subdivision to read:

Subd. 5k. **Speed limit on Steele County State-Aid Highway 12 in the city of Medford.** (a) Notwithstanding any provision to the contrary in this section, the speed limit on Steele County State-Aid Highway 12 is:

(1) 45 miles per hour between 6th Street Southeast in the city of Medford and Steele County State-Aid Highway 1; and

(2) 30 miles per hour between 5th Street Southeast and 6th Street Southeast in the city of Medford.

(b) The county engineer must erect appropriate signs displaying the speed limits specified in this subdivision.

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

Sec. 37. Minnesota Statutes 2024, section 169.14, is amended by adding a subdivision to read:

Subd. 5l. **Beltrami County State-Aid Highway 20.** Notwithstanding any provision to the contrary in this section, the speed limit on Beltrami County State-Aid Highway 20 is 30 miles per hour from the intersection with Beltrami County State-Aid Highway 21 to the entrance to Lake Bemidji State Park. The county engineer must erect appropriate signs displaying the speed limit.

EFFECTIVE DATE. This section is effective the day following final enactment. The new speed limit is effective when the required signs are erected.

Sec. 38. Minnesota Statutes 2024, section 169.21, subdivision 3, is amended to read:

Subd. 3. **Crossing between intersections.** (a) Every pedestrian crossing a roadway at any point other than within a marked crosswalk or at an intersection with no marked crosswalk ~~shall~~ must yield the right-of-way to all vehicles upon the roadway.

(b) Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided ~~shall~~ must yield the right-of-way to all vehicles upon the roadway.

(c) Between adjacent intersections at which traffic-control signals are in operation pedestrians ~~shall~~ must not cross at any place except in a marked crosswalk.

(d) Notwithstanding the other provisions of this section, every driver of a vehicle ~~shall~~ must (1) exercise due care to avoid colliding with any bicycle or pedestrian upon any roadway, and (2) give an audible signal when necessary and exercise proper precaution upon observing any child or any obviously confused or incapacitated person upon a roadway.

(e) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (c), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 39. Minnesota Statutes 2024, section 169.71, subdivision 4a, is amended to read:

Subd. 4a. **Glazing material; exceptions.** (a) Subdivision 4 does not apply to glazing materials that:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformity with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs, provided:

(i) the vehicle's driver or a passenger possesses a prescription or a physician's statement of medical need;

(ii) the prescription specifically states whether the medical need is a temporary or permanent condition;

(iii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

~~(iii)~~ (iv) the prescription or statement contains an expiration date provided by the physician, which must be no more than two years after the date the prescription or statement was issued, unless an indication is made by the physician that the driver's condition is permanent and no expiration date is appropriate; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15; or

(v) the rear and side windows of a police vehicle.

(b) For the purposes of paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's statement of medical need is issued to (i) the driver's parent, child, grandparent, grandchild, sibling, or spouse, or (ii) a person for whom the driver is a personal care attendant;

(2) the prescription or physician's statement of medical need specifies the make, model, and license plate of one or two vehicles that will have tinted windows; and

(3) the driver is in possession of the prescription or physician's statement of medical need.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to prescriptions issued on or after that date.

Sec. 40. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to read:

Subd. 52. **Work zone.** "Work zone" has the meaning given in section 169.011, subdivision 95.

Sec. 41. Minnesota Statutes 2024, section 171.05, subdivision 1, is amended to read:

Subdivision 1. **Person 18 or more years of age.** (a) Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a class D driver's license under this chapter~~,~~ may apply for an instruction permit, and the department ~~shall~~ must issue the permit. The instruction permit entitles the applicant to drive a motor vehicle for which a class D license is valid upon the highways for a period of two years if the permit holder:

(1) has the permit in immediate possession; and

(2) is driving the vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver.

(b) Any license of a lower class may be used as an instruction permit to operate a vehicle requiring a higher class license for a period of ~~six months~~ one year after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using the lower class license as an instruction permit.

Sec. 42. Minnesota Statutes 2024, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

(9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

(10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

(11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States; or

(13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x)~~;~~.

~~(14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;~~

~~(15) a certified copy of a court order that specifies the applicant's name change; or~~

~~(16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.~~

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 43. Minnesota Statutes 2024, section 171.0605, is amended by adding a subdivision to read:

Subd. 7. **Evidence of name change.** The following is satisfactory evidence of an applicant's name change:

(1) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(2) a certified copy of a court order that specifies the applicant's name change; or

(3) a certified copy of a court-issued divorce decree or dissolution of marriage that specifies the applicant's name change.

Sec. 44. Minnesota Statutes 2024, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee for each application as follows:

(1)	New application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card	$ 16.00
(2)	Renewal application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card	$ 11.00

Except as provided in paragraph (c), the fee must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department must maintain the photo identification and vision examination equipment for all agents. All photo identification and vision examination equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

(f) The commissioner must issue payment to a driver's license agent as follows:

(1) $2 for paying an account balance;

(2) $4 for the following transactions:

(i) correcting credentials for veterans with a total service-connected disability, homeless fee, and those with reduced-fee credentials; and

(ii) payment of reinstatement fees for veterans with a total service-connected disability and homeless youth;

(3) $8 for the following transactions:

(i) changing a customer's personal identification number; and

(ii) mail-in application photograph renewal; and

(4) the amount of the fee established under section 168.33, subdivision 7, paragraph (a), clause (2), for the following transactions:

(i) addition of court order review;

(ii) paper temporary receipt of application permit for veterans with a total service-connected disability; and

(iii) issuing a credential for veterans with a total service-connected disability, homeless youth, and those with reduced-fee credentials.

(g) The following transactions for which no filing fee is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the driver's license agent; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(h) If the amount appropriated for payments under paragraph (f) is insufficient, the commissioner must prorate the payments.

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

Sec. 45. Minnesota Statutes 2024, section 171.0701, is amended by adding a subdivision to read:

Subd. 1c. **Driver education; work zone safety.** The commissioner must adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools to require inclusion of a section on work zone and road construction worker safety in the course of instruction. The instruction must include information on:

(1) safe speeds in work zones, including speeds when workers are present;

(2) the specific duties of a driver when encountering, entering, traveling through, and exiting a work zone;

(3) the dangers of distracted driving through work zones;

(4) the legal markings of a work zone, including flagging, traffic control devices, barrels, lights, or other signage that indicate the segment of street or highway under construction, reconstruction, or maintenance; and

(5) safely merging into travel lanes when a lane is closed due to construction, reconstruction, or maintenance.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 46. Minnesota Statutes 2024, section 171.0705, is amended by adding a subdivision to read:

Subd. 2a. **Driver's manual; work zone safety.** The commissioner must include in each edition of the driver's manual published by the department a section relating to work zone safety and road construction worker safety that, at a minimum, includes:

(1) traffic laws related to work zone safety, including work zone speed limits and the surcharge imposed for a person convicted of speeding in a work zone;

(2) commonly used work zone markings and traffic control devices;

(3) traffic laws related to distracted driving, with an emphasis on the dangers of distracted driving in work zones; and

(4) lane merger benefits and best practices, including information on motorists safely merging from two lanes into a single lane of traffic when a lane is closed due to construction, reconstruction, or maintenance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the next published edition of the driver's manual published on or after that date.

Sec. 47. Minnesota Statutes 2024, section 171.071, subdivision 2, is amended to read:

Subd. 2. **Certain head wear permitted.** If an accident involving a head injury, serious illness, or treatment of the illness has resulted in hair loss or the need to maintain continuous coverage of the head or scalp with a medical covering by an applicant for a driver's license or identification card, the commissioner ~~shall~~ must permit the applicant to wear a hat or similar head wear or the covering in the photograph or electronically produced image. The hat, medically required covering, or head

wear must be of an appropriate size and type to allow identification of the holder of the license or card and must not obscure the holder's face.

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

Sec. 48. Minnesota Statutes 2024, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; ~~and~~ (vii) the circumstances and dangers of carbon monoxide poisoning; and (viii) work zone and road construction worker safety, including work zone speed limits, work zone markings, vehicle operation requirements in work zones, and the dangers of distracted driving in work zones;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) Subject to the requirements of paragraph (e), the commissioner must make class D road skills examination appointments available six months in advance, with at least 50 percent of projected appointments available to book three months in advance, at least 75 percent of projected appointments

available to book two months in advance, and 100 percent of projected appointments available to book one month in advance.

(e) The commissioner must ensure only qualifying applicants may book a class D road skills examination appointment earlier than one month in advance. For purposes of this paragraph, a qualifying applicant means:

(1) an applicant who resides in the same county in which an exam station is located; or

(2) an applicant who resides in an adjacent county in which an exam station is located.

(f) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

~~(e)~~ (g) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided.

EFFECTIVE DATE. Paragraphs (d) and (e) are effective August 1, 2025, for examinations made on or after that date. Paragraph (a), clause (3), item (viii), is effective January 1, 2027, and applies to examinations administered on or after that date.

Sec. 49. Minnesota Statutes 2024, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of $10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of $20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of ~~$20~~ $50 must be paid by an individual who fails to appear for a scheduled skills or road test or who cancels a skills or road test ~~within~~ less than 24 hours ~~of~~ before the appointment time. A fee of $20 must be paid by an individual who cancels a scheduled skills or road test between 24 hours and 72 hours before the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account under section 299A.705.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to examinations on or after that date.

Sec. 50. Minnesota Statutes 2024, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle ~~or~~ under section 609.20 or 609.205;

(2) criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21;

~~(2)~~ (3) a violation of section 169A.20 or 609.487;

~~(3)~~ (4) a felony in the commission of which a motor vehicle was used;

~~(4)~~ (5) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

~~(5)~~ (6) perjury or the making of a false affidavit or statement to the department under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;

~~(6)~~ (7) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

~~(7)~~ (8) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

~~(8)~~ (9) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

~~(9)~~ (10) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

~~(10)~~ (11) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The department shall immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 51. Minnesota Statutes 2024, section 171.301, subdivision 5, is amended to read:

Subd. 5. **Expiration.** A reintegration driver's license expires ~~15~~ 24 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to reintegration licenses issued on or after that date.

Sec. 52. Minnesota Statutes 2024, section 171.301, subdivision 6, is amended to read:

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not been expired for more than 90 days from the date under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a reinstatement fee or surcharge under sections 171.20, subdivision 4, and 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 53. Minnesota Statutes 2024, section 171.306, subdivision 8, is amended to read:

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

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

Sec. 54. **[171.397] FLEXIBLE INSTRUCTION PERMITTED.**

A student may receive a combination of online driver's education instruction under section 171.396, teleconference driver's education instruction under section 171.395, and classroom instruction if:

(1) the instruction is from a single licensed or authorized driver's education provider;

(2) the curriculum content is identical between the online, teleconference, and in-person settings; and

(3) the driver's education provider is authorized by the commissioner to provide students at least two methods of classroom instruction under the requirements of this chapter and Minnesota Rules, chapter 7411, or successor rules.

EFFECTIVE DATE. This section is effective August 1, 2025, for driver's education instruction commenced on or after that date.

Sec. 55. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 1e. **Outcome analysis of plan required.** Upon subsequent revisions of the 20-year Minnesota state highway investment plan, the commissioner must analyze all trunk highway projects included in the statewide multimodal transportation plan based on:

(1) the year a project was added to the statewide multimodal transportation plan;

(2) an explanation of the project purpose and need and development documentation requirements under section 161.1611;

(3) a timeline that provides any key milestones of the project;

(4) project purposes relative to objectives in the statewide multimodal transportation plan and investment priority areas established in the Minnesota state highway investment plan;

(5) identified links between project implementation processes, including environmental impact studies, programming, funding, and construction and the priorities identified in the statewide multimodal transportation plan;

(6) identification of the scoping process for the project's inclusion in the statewide multimodal transportation plan to determine whether the project was prioritized based on the current condition or output of the roadway rather than expected outcomes or other practical-based selection criteria; and

(7) an explanation of the multidisciplinary project development efforts required by section 174.742.

Sec. 56. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 13. **Asset sustainability ratio targets.** (a) The commissioner must calculate and report the asset sustainability ratio (ASR) for pavements for each fiscal year. The ASR must be based on criteria developed by the commissioner and found in the Pavement Design Manual. The ASR is calculated as:

(1) total mile years added; divided by

(2) total system mileage.

(b) The department must meet the following pavement system targets for ASR:

(1) not less than 0.65 by 2027;

(2) not less than 0.75 by 2029; and

(3) not less than 0.85 by 2031 and thereafter.

(c) The commissioner must report ASR results from projects constructed by the department for each year and include the results in the annual transportation system performance report under subdivision 12, paragraph (d).

Sec. 57. **[174.205] RESILIENT PAVEMENT PROGRAM.**

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

(b) "Baseline project" means a trunk highway project without revision to pavement design life.

(c) "Commissioner" means the commissioner of transportation.

(d) "Modified project" means a project that is revised or under a revision analysis to contain a modified pavement design life using funds provided under the program.

(e) "Pavement cost" means the estimated total cost of pavement items for the project, including anticipated maintenance, rehabilitation, and resurfacing over a 50-year design life.

(f) "Program" means the resilient pavement program under this section.

Subd. 2. **Program established.** Subject to available funds, the commissioner must establish a resilient pavement program to provide supplemental funding for revisions to pavement design of trunk highway projects on the basis of long-term cost effectiveness.

Subd. 3. **Administration.** (a) In implementing the program, the commissioner must:

(1) establish procedures for identification, analysis, and selection of projects that receive funding and are accordingly revised in the pavement design; and

(2) specify a pavement design life of at least 50 years for modified projects.

(b) The commissioner must determine the pavement design life period using the current pavement design models and methodologies recognized by the department models used by the department for pavement design.

Subd. 4. **Project eligibility; cost effectiveness.** (a) To be eligible for funds under the program, a project must:

(1) be for trunk highway construction, reconstruction, rehabilitation, maintenance, or improvement;

(2) be included in a prior or current state transportation improvement program or capital highway investment plan with a proposed design life of less than or equal to 20 years;

(3) be a modified project with a pavement design life as specified under subdivision 3, paragraph (a), clause (2); and

(4) have a cost-effectiveness ratio, as calculated under paragraph (b), that equals or is greater than 1.

(b) The cost-effectiveness ratio is calculated as:

(1) the pavement cost of the baseline project, divided by the pavement design life of the baseline project; divided by

(2) the pavement cost of the modified project, divided by the modified pavement design life.

(c) All infrastructure projects funded by the program must incorporate research findings and best practices as developed and validated by the National Road Research Alliance and its partners.

Subd. 5. **Use of funds.** (a) For a project selected under the program, the commissioner may expend program funds for up to 110 percent of the difference in anticipated pavement costs between the modified project and the baseline project.

(b) The commissioner may expend up to one-third of the funds on projects located wholly or substantially inside the Department of Transportation metropolitan district, as calculated using total funds under the program over (1) the current fiscal year, and (2) the latest prior two years in which funds are allocated.

(c) The commissioner must not expend funds under the program for program delivery.

Subd. 6. **Public information.** The commissioner must publish information regarding the program on the department's website. The information must include:

(1) a description of program implementation;

(2) identification of projects analyzed and selected under the program; and

(3) for each project selected, an overview that includes a brief project description, the pavement design changes, and information on expenditures from program funds.

Sec. 58. Minnesota Statutes 2024, section 174.53, is amended to read:

174.53 DEPARTMENT OF TRANSPORTATION EFFICIENCIES.

(a) Beginning in fiscal years 2018 and 2019, the commissioner of transportation must implement efficiencies equal to at least 15 percent of the appropriations made annually to the commissioner from the trunk highway fund that are above base appropriations for fiscal years 2018 and 2019.

(b) The efficiency savings resulting from the requirements in paragraph (a) ~~are~~ must be used for the construction, maintenance, or rehabilitation of trunk highways~~, including roads and bridges~~ under the corridors of commerce program under section 161.088.

Sec. 59. Minnesota Statutes 2024, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year ~~2027~~ 2029, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

(d) By November 1 each year, the commissioner must report on the passenger rail account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must, at a minimum, include:

(1) the actual revenue and expenditures in each of the previous two fiscal years;

(2) the budgeted and forecasted revenue and expenditures in the current fiscal year and each fiscal year within the state forecast period;

(3) the plan for collection of fees and revenue, as defined and authorized under subdivision 3, in the current fiscal year and each fiscal year within the state forecast period; and

(4) the uses of expenditures or planned expenditures in each fiscal year included under clauses (1) and (2).

Sec. 60. **[174.742] MULTIDISCIPLINARY PROJECT DEVELOPMENT REQUIRED.**

(a) For purposes of this section, "eligible project" has the meaning given for a capacity expansion project in section 161.178, subdivision 1.

(b) The commissioner must require the use of interdisciplinary planning and decision-making methods and staff for eligible projects. Staff must form a core project team for eligible projects with diverse and multimodal expertise across social science disciplines to staff a project from planning to final construction. The core project team must:

(1) integrate field visits and walking audits into training, design, development, and review of eligible projects;

(2) include a planner who has experience and familiarity with the project's area or corridor to bring context in all phases of project delivery;

(3) serve as co-reviewers, where applicable, in project purpose and need contextual development requirements under section 161.1611, planning, design, and budgeting decisions;

(4) assess project decisions against statewide multimodal transportation plan priorities; and

(5) analyze projects and project decisions based on alternative transportation metrics to determine community mobility needs for all users, including but not limited to:

(i) economic development and equity outcomes;

(ii) transportation insecurity performance metrics;

(iii) access to essential services and jobs;

(iv) transportation affordability;

(v) access for historically underserved communities;

(vi) environmental justice concerns; and

(vii) public health impacts.

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

Sec. 61. Minnesota Statutes 2024, section 174.75, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner must implement a revised complete streets policy after consultation with stakeholders, state and regional agencies, local governments, and road authorities. The commissioner, after such consultation, must address relevant protocols, guidance, standards, requirements, and training.

(b) The complete streets policy must include but is not limited to:

(1) integration of related principles of context-sensitive solutions;

(2) integration throughout the project development process;

(3) integration of multidisciplinary project development resources under section 174.742;

(4) integration of purpose and need context development strategies under section 161.1611;

(5) methods to evaluate inclusion of active transportation facilities in a project, which may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility, and bikeways; and

~~(4)~~ (6) consideration of consultation with other road authorities regarding existing and planned active transportation network connections.

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

Sec. 62. Minnesota Statutes 2024, section 174.75, subdivision 2a, is amended to read:

Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that accompanies the complete streets policy under this section. The guidance must include sections on:

(1) an analysis framework that provides for:

(i) identification of characteristics of a project and the required purpose and need context development strategies;

(ii) highway system categorization based on context, including population density, land use, density and scale of surrounding development, volume of highway use, and the nature and extent of active transportation; and

(iii) relative emphasis for different road system users in each of the categories under item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists or other operators of two- or three-wheeled vehicles, and public transit users; and

(2) an analysis of speed limit reductions and associated roadway design modifications to support safety and mobility in active transportation.

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

Sec. 63. Minnesota Statutes 2024, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner must deposit the revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) ~~43.5 percent in each fiscal year~~ a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 to 2027;

(ii) 36.5 percent in fiscal year 2028;

(iii) 29.5 percent in fiscal year 2029; and

(iv) 43.5 percent in fiscal year 2030 and thereafter;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the

motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants;

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The revenues deposited under paragraphs (a) to (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 64. Minnesota Statutes 2024, section 299A.55, subdivision 2, is amended to read:

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

~~(b) $560,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.~~

~~(c) $750,000 in fiscal year 2024 and $1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the grade crossing safety account under section 219.1651.~~

~~(d) Following the appropriation in paragraph (b) and the transfer in paragraph (c), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.~~

~~(e)~~ (b) By January 15, 2026, the commissioner of public safety must submit a report on the railroad and pipeline safety account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must list detailed revenues to and expenditures from the account for the previous two fiscal years and must include information on the purpose of each expenditure.

~~(f)~~ (c) If the balance of the account at the end of a fiscal biennium is greater than $2,000,000, the amount above $2,000,000 must be transferred to the grade crossing safety account under section 219.1651.

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

Sec. 65. Minnesota Statutes 2024, section 299A.55, subdivision 4, is amended to read:

Subd. 4. **Assessments.** (a) The commissioner of public safety must annually assess ~~$4,000,000~~ $3,418,000 to railroad ~~and pipeline~~ companies ~~based on the formula specified in paragraph (b). The commissioner must deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.~~

~~(b) The assessment for each railroad is 70 percent of the total annual assessment amount~~, divided in equal proportion ~~between~~ among applicable rail carriers based on route miles operated in Minnesota. ~~The assessment for each pipeline company is 30 percent of the total annual assessment amount~~ Of the amount collected annually under this paragraph:

(1) $560,000 is deposited in the railroad and pipeline safety account and appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E;

(2) $1,500,000 is deposited in the grade crossing safety account under section 219.1651; and

(3) the remainder is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(b) The commissioner of public safety must annually assess $582,000 to pipeline companies, divided in equal proportion ~~between~~ among companies based on the yearly aggregate gallons of oil and other hazardous substances transported by pipeline in Minnesota. Money collected under this paragraph is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(c) In addition to the ~~amount~~ amounts identified in ~~paragraph~~ paragraphs (a) and (b), the commissioner must assess the rail carrier or pipeline company involved in an incident compelling a significant response for all postincident review and analysis costs under subdivision 5 incurred by the state and local units of government. This paragraph applies regardless of whether an assessment is imposed under paragraph (a) or (b) in a fiscal year.

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

Sec. 66. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 22a. **Coordinated unmanned aircraft system fleet event for entertainment purposes.** "Coordinated unmanned aircraft system fleet event for entertainment purposes" means a one-day event involving a group of unmanned aircraft systems flying together as a unified and coordinated entity to accomplish a shared entertainment objective, including but not limited to choreographed flight patterns, synchronized lighting, and music for visual displays.

Sec. 67. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 23a. **Electronic attestation.** "Electronic attestation" means a statement of fact or confirmation, submitted by the owner in digital form, regarding the ownership and status of an aircraft and its compliance with applicable regulations. For purposes of this subdivision, "aircraft" includes unmanned aircraft systems.

Sec. 68. Minnesota Statutes 2024, section 360.55, subdivision 4, is amended to read:

Subd. 4. **Collector's aircraft.** (a) For purposes of this subdivision:

(1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or before December 31, 1945, with the exception of certain pre-World War II aircraft models that had only a small postwar production, such as Beechcraft Staggerwing, Fairchild 24, and Monocoupe; and

(2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or after January 1, 1946, and has a first year of life that precedes the date of registration by at least 50 years.

(b) If an antique or classic aircraft is owned and operated solely as a collector's item, its owner ~~may~~ must list it for taxation and registration ~~as follows~~ and execute an electronic attestation or sworn affidavit stating: ~~A sworn affidavit must be executed stating~~

(1) the name and address of the owner~~,~~;

(2) the name and address of the ~~person from whom purchased,~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number~~,~~; and

(4) that the aircraft is owned and operated solely as a collector's item and not for general transportation or commercial operations purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with a fee of $25.

(c) Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant. The registration certificate is valid without renewal as long as the owner operates the aircraft solely as a collector's item.

(d) ~~Should~~ If an antique or classic aircraft ~~be~~ is operated other than as a collector's item, the registration certificate becomes void, and the owner ~~shall~~ must list the aircraft for taxation and registration ~~in accordance with the other provisions of~~ under sections 360.511 to 360.67.

(e) Upon the sale of an antique or classic aircraft, the new owner must list the aircraft for taxation and registration in accordance with this subdivision, including the payment of a $5 fee to transfer the registration to the new owner, ~~or the other provisions of~~ under sections 360.511 to 360.67, whichever is applicable.

Sec. 69. Minnesota Statutes 2024, section 360.55, subdivision 4a, is amended to read:

Subd. 4a. **Recreational aircraft; classic license.** (a) An aircraft that has a base price for tax purposes under section 360.531 of $10,000 or less~~,~~ and ~~that~~ is owned and operated solely for recreational purposes~~,~~ may be listed for taxation and registration by executing ~~a~~ an electronic attestation or sworn affidavit stating:

(1) the name and address of the owner~~,~~;

(2) the name and address of the ~~person from whom purchased,~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number~~,~~; and

(4) that the aircraft is owned and operated solely as a recreational aircraft and not for commercial operational purposes.

The electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with an annual $25 fee.

(b) ~~On being satisfied~~ Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant.

(c) ~~Should~~ If the aircraft ~~be~~ is operated other than as a recreational aircraft, the owner ~~shall~~ must list the aircraft for taxation and registration and pay the appropriate registration fee under sections 360.511 to 360.67.

(d) If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision, including the payment of the annual $25 fee, or under sections 360.511 to 360.67, whichever is applicable.

Sec. 70. Minnesota Statutes 2024, section 360.55, subdivision 8, is amended to read:

Subd. 8. **Agricultural aircraft.** Aircraft registered with the Federal Aviation Administration as restricted category aircraft used for agricultural purposes must be listed for taxation and registration ~~upon filing by the owner a sworn affidavit with~~. The owner must execute and submit an annual electronic attestation or sworn affidavit to the commissioner. The electronic attestation or sworn affidavit must state:

(1) the name and address of the owner;

(2) the name and address of the ~~person from whom purchased~~ seller;

(3) the aircraft's make, year, model number, federal registration number, and manufacturer's identification number; and

(4) that the aircraft is owned and operated solely for agricultural operations and purposes.

The owner ~~shall file the~~ must submit an electronic attestation or a sworn affidavit to the commissioner and pay an annual fee established under sections 360.511 to 360.67, which must not exceed $500. ~~Should~~ If the aircraft ~~be~~ is operated other than for agricultural purposes, the owner ~~shall~~ must list the aircraft for taxation and registration under sections 360.511 to 360.67. If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision or under sections 360.511 to 360.67, as applicable.

Sec. 71. Minnesota Statutes 2024, section 360.55, subdivision 9, is amended to read:

Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system in which the unmanned aircraft system weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft system, either:

(1) must be registered in the state for an annual fee of $25; or

(2) is not subject to registration or an annual fee if the unmanned aircraft system is owned and operated solely for recreational purposes.

(b) An unmanned aircraft system that meets the requirements under paragraph (a) is exempt from aircraft registration tax under sections 360.511 to 360.67.

Sec. 72. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

Subd. 10. **Coordinated unmanned aircraft system fleets.** (a) An operator planning to conduct a coordinated unmanned aircraft system fleet event for entertainment purposes, as defined in section 360.511, subdivision 22a, must register the fleet at least 15 days before the event.

(b) The registration under this subdivision must include:

(1) the name and contact information of the event organizer;

(2) the date, time, and location of the event;

(3) the number of unmanned aircraft systems to be used;

(4) proof of liability insurance for the unmanned aircraft systems;

(5) a copy of the operator's unmanned aircraft systems pilot's license; and

(6) a copy of the commercial operator's license.

(c) A daily registration fee of $2 per unmanned aircraft system used in the fleet applies to fleets registered under this subdivision. This fee is in lieu of the registration fee in subdivision 9. Fleets registered under this subdivision are exempt from the aircraft registration tax under sections 360.511 to 360.67.

Sec. 73. Minnesota Statutes 2024, section 473.129, is amended by adding a subdivision to read:

Subd. 13. **Direct negotiation.** Notwithstanding section 471.345, if the estimated total contractual obligation of the council for a directly negotiated contract or contracts for construction work or maintenance work on any single project does not exceed the amount in section 161.32, subdivision 2, the council may enter into a contract by direct negotiation by obtaining two or more quotations for the work without advertising for bids or otherwise complying with the requirements of competitive bidding.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 74. Minnesota Statutes 2024, section 473.13, subdivision 1, is amended to read:

Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

~~(b) Each even-numbered year the council shall prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.~~

~~(c)~~ (b) In addition, the budget must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 75. Minnesota Statutes 2024, section 473.13, subdivision 6, is amended to read:

Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council must submit a financial review that details revenue and expenditures for the transportation components under the council's budget, as specified in paragraph (c). A financial review submitted under this paragraph must provide the information using state fiscal years.

(b) Annually by the earlier of the accounting close of a budget year or August 15, the council must submit a financial review update that provides the following for the most recent completed budget year: actual revenues; expenditures; transfers; reserves; balances; and a comparison between the budgeted and actual amounts. A financial review update under this paragraph must include the information specified in paragraph (d).

(c) At a minimum, a financial review must identify:

(1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each year within the state forecast period;

(3) for the most recent completed year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed year, fund balances for each replacement service provider under section 473.388. By December 15 each year, each replacement service provider under section 473.388 must report to the council the provider's projected total operating expenditures and projected operating reserve fund balance as of the previous December 31.

(d) The information under paragraph (c), clauses (1) to (3), must include:

(1) a breakdown by each transportation funding source identified by the council, including but not limited to legislative appropriations; federal funds; fare collections; property tax; and sales tax, including sales tax used for active transportation under section 473.4465, subdivision 2, paragraph (a), clause (1);

(2) a breakdown by each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(e) A financial review under paragraph (a) or (b) must provide information or a methodology sufficient to establish a conversion between state fiscal years and budget years, summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

(f) The council must submit each financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance and to the commissioner of management and budget.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 76. Minnesota Statutes 2024, section 473.142, is amended to read:

473.142 SMALL BUSINESSES.

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award ~~up to~~ a ~~six percent~~ preference ~~in the amount bid~~ up to the percentage under section 16C.16, subdivision 6, paragraph (a), for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council and each agency

specified in section 473.143, subdivision 1, may award a preference up to the percentage under section 161.321, subdivision 2, paragraph (a), in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

(b) The council and each agency specified in section 473.143, subdivision 1, may designate a ~~purchase of~~ contract for construction, goods, or services for award only to small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small targeted group businesses are likely to ~~bid~~ respond to a solicitation. The council and each agency specified in section 473.143, subdivision 1, may designate a ~~purchase of~~ contract for construction, goods, or services for award only to veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three veteran-owned small businesses are likely to ~~bid~~ respond to a solicitation.

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding ~~a construction contract~~ or approving a contract ~~for consultant, professional, or technical services~~, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, ~~are encouraged to purchase from~~ may award a contract for construction, goods, or services directly to small targeted group businesses ~~and~~ or veteran-owned small businesses designated under section 16C.16 ~~when making purchases that are not subject to competitive bidding procedures~~, up to a total contract award value, including extension options, of the amount specified in section 16C.16, subdivision 6, paragraph (b), without completing a competitive solicitation process.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to

collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 77. Minnesota Statutes 2024, section 473.1425, is amended to read:

473.1425 WORKING CAPITAL FUND.

The Metropolitan Council or a metropolitan agency defined in section 473.121, subdivision 5a, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by a socially ~~or~~ and economically disadvantaged ~~persons~~ individual as defined in Code of Federal Regulations, title 49, section ~~23.5~~ 26.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to ~~be awarded~~ participate in contracts for goods and services or for construction related services from government agencies.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 78. Minnesota Statutes 2024, section 473.386, subdivision 10, is amended to read:

Subd. 10. **Forecasted funding.** (a) For purposes of this subdivision, "biennium" and "fiscal year" have the meanings given in section 16A.011, subdivisions 6 and 14, respectively.

(b) In each February and November forecast of state revenues and expenditures under section 16A.103, the commissioner of management and budget must incorporate a state obligation from the general fund for the annual net costs to the council to implement the special transportation service under this section. Notwithstanding section 16A.11, subdivision 3, the appropriation base in each fiscal year of the upcoming biennium is as determined in this subdivision.

(c) The commissioner must determine net costs under paragraph (b) as:

(1) the amount necessary to:

(i) maintain service levels accounting for expected demand, including service area, hours of service, ride scheduling requirements, and fares per council policy;

(ii) maintain the general existing condition of the special transportation service bus fleet, including bus maintenance and replacement; and

(iii) meet the requirements of this section; plus

(2) the amount of forecast adjustments, as determined by the commissioner of management and budget in consultation with the council, necessary to match (i) actual special transportation service program costs in the prior fiscal year, and (ii) adjusted program costs forecasted for the second year of the current biennium, for a forecast prepared in the first year of the biennium; less

(3) funds identified for the special transportation service from nonstate sources.

(d) In conjunction with each February and November forecast, the council must submit a financial review of the special transportation service to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the commissioner of management and budget. At a minimum, the financial review must include:

(1) a summary of special transportation service sources of funds ~~and expenditures for the prior two fiscal years and~~ each fiscal year of the forecast period, which must include:

(i) a breakout by expenditures categories; and

(ii) information that is sufficient to identify a conversion between state fiscal years and the fiscal years of the council;

(2) details on cost assumptions used in the forecast;

(3) information on ridership and farebox recovery rates for the prior two fiscal years and each fiscal year of the forecast period;

(4) identification of the amount of appropriations necessary for any forecast adjustments as identified under paragraph (c), clause (2); and

(5) information as prescribed by the commissioner.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 79. Minnesota Statutes 2024, section 473.408, is amended by adding a subdivision to read:

Subd. 11. **Transit service for certified disabled riders.** (a) The council must provide regular route transit, as defined in section 473.385, subdivision 1, free of charge to an individual who is:

(1) certified as disabled under the Americans with Disabilities Act requirements of the Federal Transit Administration; or

(2) certified by the council under section 473.386, subdivision 2a.

(b) The requirements under this subdivision apply to operators of regular route transit receiving financial assistance under section 473.388 or operating under section 473.405, subdivision 12.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2025, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 80. Minnesota Statutes 2024, section 473.412, subdivision 3, is amended to read:

Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1, 2024, and every year thereafter,~~ Annually by February 15, the Metropolitan Council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transit policy and finance on transit cleanliness and the ridership experience.

(b) The report under paragraph (a) must provide information on the council's cleanliness standards required under subdivision 2, including whether the council adopted new cleanliness standards or revisions to current cleanliness standards. A report prepared under this subdivision must include information gathered from the required public feedback on cleanliness and rider experience required in subdivision 2, paragraph (b). The council must consider and recommend revisions to cleanliness standards based on the collection of public feedback and must summarize feedback received by the council in the report.

(c) A report submitted under this subdivision must include:

(1) the total expenditures for cleaning and repairing transit stations and transit vehicles;

(2) the frequency, type, and location of repairs;

(3) whether specific transit stations needed a higher proportion of cleaning or repairs and detail the council's strategy to resolve identified and persistent concerns at those locations;

(4) recommendations to address workforce challenges for the implementation and maintenance of cleanliness and repair standards adopted by the council, including whether the council maintained agreements with third-party services for cleaning and repair; and

(5) whether the council has adopted preventative measures against vandalism or graffiti~~; and~~.

~~(6) any recommendations for additions to the transit rider code of conduct under section 473.4065 or the transit rider investment program under section 473.4075.~~

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 81. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision to read:

Subd. 2a. **Use of funds; Metropolitan Council; loan authorized.** From the amounts in subdivision 2, paragraph (a), clause (2), the council is authorized to loan to the Department of Transportation up to $250,000,000 to advance and coordinate highway construction with one major transitway project in the metropolitan area. Funds may be used for any costs related to the selected project, including but not limited to construction, engineering, and administration. The loan agreement, including repayment terms, must be mutually agreed to by the council and the Department of Transportation.

Sec. 82. Laws 2023, chapter 68, article 4, section 109, is amended to read:

Sec. 109. **TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.**

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by ~~July 1, 2025~~ January 15, 2026, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 83. Laws 2024, chapter 127, article 3, section 61, is amended to read:

Sec. 61. Minnesota Statutes 2022, section 169.974, subdivision 5, is amended to read:

Subd. 5. **Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent and regular seat which is attached to the vehicle for that purpose. No other person may ride on a motorcycle, except that passengers may ride (1) upon a permanent and regular operator's seat if designed for two persons, (2) upon additional seats attached to or in the vehicle, or (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited from carrying passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. A passenger is prohibited from being carried in a position that interferes with the safe operation of the motorcycle or the view of the operator.

(b) No person may ride upon a motorcycle as a passenger unless the person can reach the footrests or floorboards with both feet.

(c) Except for passengers of sidecars, drivers and passengers of three-wheeled motorcycles, and persons in an autocycle, no person may operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person may operate a motorcycle while carrying animals, packages, bundles, or other cargo that prevent the person from keeping both hands on the handlebars.

(e) Motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane if the vehicles fit safely within the designated space of the lane.

(f) Except under the conditions specified in paragraph (g), no person may operate a motorcycle:

(1) between lanes of moving or stationary vehicles headed in the same direction of travel;

(2) abreast of moving or stationary vehicles within the same traffic lane; or

(3) to overtake or pass another vehicle within the same traffic lane.

(g) A person may operate a motorcycle ~~and overtake and pass another vehicle in~~ between lanes of stationary vehicles headed in the same direction of travel ~~and~~, within the same traffic lane of a stationary vehicle, or on the shoulder of a highway abreast of stationary traffic headed in the same direction of travel if the motorcycle is operated~~:~~

~~(1)~~ at not more than 25 miles per hour~~; and~~

~~(2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes~~. For purposes of this paragraph, "traffic lane" does not include:

(1) the approach, drive-through, or exit of a roundabout;

(2) a work zone where only a single travel lane is available for use; or

(3) a school zone established under section 169.14, subdivision 5a.

(h) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of the full use of a traffic lane.

(i) A person operating a motorcycle upon a roadway must be granted the rights and is subject to the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

(j) Paragraphs (e) and (f) of this subdivision do not apply to police officers in the performance of their official duties.

(k) No person may operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

(l) A person parking a motorcycle on the roadway of a street or highway must:

(1) if parking in a marked parking space, park the motorcycle completely within the marked space; and

(2) park the motorcycle in such a way that the front of the motorcycle is pointed or angled toward the nearest lane of traffic to the extent practicable and necessary to allow the operator to (i) view any traffic in both directions of the street or highway without having to move the motorcycle into a lane of traffic and without losing balance or control of the motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the lane is sufficiently clear of traffic.

Sec. 84. Laws 2024, chapter 127, article 3, section 61, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2025~~ 2026.

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

Sec. 85. **ADDITIONAL FULL-SERVICE PROVIDER FOR CIRCLE PINES.**

Notwithstanding Minnesota Statutes, sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent before or after the proposed appointment, the commissioner of public safety must appoint the deputy registrar of motor vehicles currently at 9201 Lexington Avenue North in the city of Circle Pines as a driver's license agent to operate as a full-service office. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapters 7404 and 7406, apply to the office.

Sec. 86. **AUTONOMOUS MOWERS RESEARCH AND DEVELOPMENT.**

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

(b) "Autonomous mower" means a robotic or automated device designed, programmed, and operated to cut grass or vegetation with predefined routes to minimize the need for manual assistance or intervention.

(c) "Commissioner" means the commissioner of transportation.

(d) "Department" means the Minnesota Department of Transportation.

Subd. 2. **Research and development authorized.** (a) The commissioner must conduct research on the use of automation and robotics for mowing and vegetation management at property owned by the department. The research must examine the use of autonomous mower technology at the following locations:

(1) rest areas;

(2) highway rights-of-way, including ditches, shoulders, or other varied or sloped terrain; or

(3) other roadside or public-facing property owned by the department.

(b) The research must examine the use of autonomous mowing technology for mowing or vegetation management by other states or government entities. The research conducted under this section must analyze different configurations and types of autonomous mowers, including mowers that require different levels of human intervention, to research for future statewide deployment at rest areas, at or along the trunk highway system, or on other property owned by the department.

(c) The commissioner must research the current and potential commercial availability of autonomous mowing products used by public or private entities for applications that include but are not limited to rest area mowing, highway right-of-way ditch mowing, vegetation management, or other applications related to property or roadside maintenance.

(d) The commissioner must include research on Minnesota-based companies engaged in autonomous mower technology. If the commissioner elects to purchase autonomous mower technology for research under this section, the commissioner must purchase the technology from a Minnesota-based company.

(e) The research must analyze whether an autonomous mower can operate safely in varied terrain, including ditches, and navigate obstacles such as culvert ends, guardrails, signposts, other barriers, and unexpected debris that may be found on or alongside a highway right-of-way. The research must examine the potential impact of autonomous mowing technology on worker safety and maintenance staffing needs.

(f) The commissioner must propose an autonomous mower pilot project to further study and examine the challenges to implementing autonomous mower technology into roadside vegetation management activities. The proposed pilot project must include the proposed location for the pilot project, the autonomous mower activities examined, and the anticipated timeline for implementation of the proposed pilot project.

Subd. 3. **Report.** By February 15, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on the results of the autonomous mower research authorized in subdivision 2. The report must include:

(1) information and analysis of other governmental agencies or private entities using autonomous mowing operations;

(2) the commissioner's detailed plan for conducting a pilot project with autonomous mowing technology, once available, at rest areas; at or alongside trunk highway rights-of-way, including ditches, shoulders, and other terrain; and at other properties owned by the department;

(3) the timeline and funding needed to conduct an autonomous mowing pilot project established in subdivision 2, paragraph (f);

(4) a cost-benefit analysis of whether autonomous mowing technology can yield productivity or efficiency gains in maintenance of department property compared to traditional methods of mowing;

(5) an analysis of whether the operation of autonomous mowing technology by the department would yield improvements compared to traditional mowing methods in worker safety, congestion, environmental impact outcomes, cost savings, maintenance scheduling, or any other factor deemed relevant by the commissioner; and

(6) an analysis of the costs and any other short-term or long-term challenges posed by the pilot project or the future operation of autonomous mowing technology on property owned by the department.

Sec. 87. **DEPARTMENT OF TRANSPORTATION; COST PARTICIPATION POLICY UPDATE REQUIRED.**

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

(1) "commissioner" means the commissioner of transportation;

(2) "cost participation policy" is the policy between the Department of Transportation and local units of government to determine the potential expenditure of trunk highway funds on elements of cooperative construction projects and maintenance responsibilities between the department and local units of government; and

(3) "department" means the Department of Transportation.

Subd. 2. **Policy update.** By March 1, 2026, the commissioner, in consultation with representatives of local units of government, must update and adopt the department's cost participation policy. The updated policy must identify the circumstances where local units of government will not be responsible for any trunk highway fund eligible construction project costs to deliver the project scope the department deems necessary. The policy may consider a local unit of government's ability to pay as a factor in determining the amount of local contribution, if any.

Subd. 3. **Report.** By February 1, 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must:

(1) contain the department's draft cost participation policy;

(2) identify the local units of government consulted in developing the updated cost participation policy;

(3) identify and analyze all cost participation options explored by the commissioner and local units of government in determining the cost participation policy adopted by the commissioner; and

(4) propose legislation to enable the department to cover the cost of relocating utilities owned by local units of government with remaining service life when necessitated by a trunk highway construction project led by the department.

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

Sec. 88. **DEPARTMENT OF TRANSPORTATION; PROJECT COMMITTEE PROCESS; POLICY ADVISORY COMMITTEE.**

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

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

(c) "Department" means the Department of Transportation.

(d) "Policy advisory committee" means an established and organized committee consisting of elected and appointed officials for the following projects:

(1) the rethinking I-94 project in the cities of Minneapolis and St. Paul;

(2) Trunk Highway 252 and Interstate 94 in the cities of Brooklyn Park, Brooklyn Center, and Minneapolis; and

(3) Trunk Highway 55-Olson Memorial Highway in the city of Minneapolis.

(e) "Project website" means a website maintained by the department for the project for a policy advisory committee specified under paragraph (d).

(f) "Scoping decision document" means the formal documents required by the Minnesota Environmental Quality Board rules for a state environmental impact statement required under Minnesota Statutes, chapter 116D.

Subd. 2. **Policy advisory committee; purpose.** The department must provide elected and appointed members of policy advisory committees the ability to provide input on all policy and funding decisions relevant to their project and the technical information used by the department for a scoping decision document. Input under this section includes but is not limited to:

(1) reviewing current public engagement efforts by the department for the project;

(2) identifying historically underserved communities for further engagement by the department;

(3) reviewing whether a proposed project design achieves the community's needs for all modes of travel, land use considerations, and other community-identified implications for the corridor;

(4) reviewing and offering comment on all designs presented by the commissioner;

(5) adopting a resolution to recommend the commissioner establish a community-recommended alternative design process; and

(6) adopting a resolution to request additional public meetings for public comment and feedback:

(i) before the commissioner proceeds with the selection of a project design or preferred alternative or makes any revision to a project design or preferred alternative; or

(ii) in historically underserved communities in the impacted project area if the advisory committee determines by resolution that previous engagement efforts by the department were insufficient.

Subd. 3. **Policy advisory committee; bylaws.** The commissioner must draft and propose to a policy advisory committee, for the committee's approval, bylaws and procedures to implement the requirements of subdivision 2. Adopted bylaws must include:

(1) the establishment of a regular meeting schedule, with a minimum of 30 days of public notice between meetings;

(2) a process by which policy advisory committee members can introduce resolutions to be voted on by the advisory committee to take formal positions, introduce and approve new bylaws to govern the operation of the policy advisory committee, and make requests of the department for the project; and

(3) the establishment of procedures for organizing and holding public meetings under the requirements of subdivision 4.

Subd. 4. **Policy advisory committee; public meetings; information required; Open Meeting Law.** (a) A policy advisory committee must include a robust and meaningful process for public participation and community engagement by the impacted community in project development. The commissioner must conduct, in coordination with the policy advisory committee, in-person public hearings at different locations and times with historically underserved communities in the impacted project area. Meetings must:

(1) be held with a minimum of 30 days of public notice and notice to elected officials, with the notice specifying the date, time, and location of the meeting;

(2) include a published meeting agenda and post the agenda publicly on the department's website;

(3) mandate at least 15 minutes of a public comment period for members of the public to testify, provide context, and offer input on the project and development of a preferred alternative;

(4) offer the opportunity for written comment in advance of the hearing which must be reviewed and included in meeting records; and

(5) require the department to respond to public comments submitted in advance and explain whether and how the input will be used to influence future project decisions.

(b) The commissioner must clearly organize and provide all meeting recordings, meeting information or slides, and any other material from a public meeting on the department's project website no more than two weeks after the meeting is held.

(c) The commissioner must ensure that the department regularly maintains the project website at a reasonable interval with project documents, data analysis to determine purpose and need, worksheets to determine context and modal needs, traffic modeling, design and land use considerations, and any other relevant material to inform policy advisory committee members and the general public. A policy advisory committee may adopt a resolution to request:

(1) additional project information from the commissioner; or

(2) further explanation and analysis from the commissioner on information produced to a policy advisory committee.

(d) A policy advisory committee is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 5. **Policy advisory committee; legislative report.** Beginning February 15, 2026, and each year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must detail the activities of policy advisory committees during the prior calendar year. The report must also provide a detailed summary of public feedback and comment on projects specified in subdivision 1, paragraph (d), as well as any resolutions adopted by the policy advisory committee and the response of the department to the resolution's contents.

Sec. 89. **RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS MODIFICATION.**

(a) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item F, to no longer require an annual physician's statement from a driver if:

(1) a single nonepileptic seizure was responsible for the driver's loss of consciousness or voluntary control;

(2) the driver has been free from episodes of loss of consciousness or voluntary control for five years from the date of the incident under clause (1);

(3) the driver has not been prescribed or taking any antiseizure medication for five years from the date of the incident under clause (1); and

(4) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(b) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item G, to no longer require an annual physician's statement from a driver if:

(1) the driver has been free from episodes of loss of consciousness or voluntary control for ten years;

(2) the driver has not been prescribed or taking any antiseizure medication for ten years; and

(3) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(c) A review by a physician under Minnesota Rules, part 7410.2500, subpart 5, item F or G, does not apply to a driver who is required to hold a valid medical examiner's certificate under Code of Federal Regulations, title 49, section 391.43, and does not constitute a determination of that driver's physical qualifications as required under Code of Federal Regulations, title 49, section 391.41.

(d) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

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

Sec. 90. **STUDY; ACCESSIBLE ON-DEMAND RIDES OPERATED BY STATE TRANSPORTATION NETWORK COMPANY; SURCHARGE-FUNDED GRANTS FOR WHEELCHAIR-ACCESSIBLE VEHICLES.**

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

(b) "Accessible vehicles" means a vehicle equipped with a ramp or lift capable of transporting eligible riders and is subject to the requirements of Minnesota Statutes, sections 299A.11 to 299A.17.

(c) "Commissioner" means the commissioner of transportation.

(d) "Digital network," "prearranged ride," "transportation network company," "transportation network company driver," and "transportation network company rider" have the meanings given in Minnesota Statutes, section 65B.472, subdivision 1.

(e) "Eligible rider" means an individual who requires the use of a wheelchair, nonfolding motorized wheelchair, mobility scooter, or other mobility device.

(f) "State-operated TNC" means a publicly operated entity that uses a digital network similar to a transportation network company to connect eligible riders with accessible vehicles that provides prearranged rides.

(g) "Study" means the wheelchair-accessible vehicle transportation network study required under this section.

Subd. 2. **Study and legislative report required.** (a) The commissioner must conduct a comprehensive study on:

(1) requiring transportation network companies that operate in Minnesota to make vehicles wheelchair accessible via a per-ride surcharge to fund grants for:

(i) the purchase of accessible vehicles by taxicab companies and transportation network company drivers;

(ii) the modification of existing vehicles into accessible vehicles for riders with disabilities or who require the use of a mobility device;

(iii) maintenance expenses for equipment; or

(iv) per-ride reimbursement to drivers after providing rides to riders with accessibility challenges or who require the use of a mobility device; and

(2) the creation and management of a state-operated TNC for riders with disabilities or who require the use of an accessible vehicle, which must include a feasibility study to assess the demand for the service, the potential market for the service, and financial viability of creating and maintaining the service.

(b) The study required under paragraph (a), clause (1), must:

(1) evaluate existing accessibility features and services provided by private transportation network companies;

(2) assess the feasibility of incorporating a per-ride surcharge to fund transportation accessibility initiatives;

(3) compare the proposed per-ride surcharge with the provision in Minnesota Statutes, section 181C.03, paragraph (a), clause (2);

(4) make recommendations on a potential nondiscrimination policy to be adopted by a transportation network company to ensure services provided by drivers using the digital network are offered in a nondiscriminatory manner; and

(5) propose legislation to administer grants using funds collected from a per-ride surcharge and identify potential uses of grant funds under the requirements of paragraph (a), clause (1).

(c) The study required under paragraph (a), clause (2), must:

(1) evaluate the operational, technical, financial, and legal feasibility of establishing a state-operated TNC solely for use by people seeking rides in accessible vehicles;

(2) conduct a comprehensive analysis of current transportation network providers in Minnesota, with a focus on the provider's operations and technological infrastructure;

(3) develop appropriate regulations and define essential operational standards, driver qualifications, vehicle requirements, insurance coverage, and other procedures to ensure safety, reliability, and quality of service;

(4) analyze how a state-operated TNC can ensure a sufficient number of accessible vehicles, in-app accessibility options, driver training on disability awareness, and other measures to promote inclusivity and nondiscrimination;

(5) analyze the compatibility of a state-operated TNC with existing special transportation service providers; Metro Transit and Metro Mobility; demand response transit service offerings by replacement service providers under Minnesota Statutes, section 473.388; or any other public transit provider offering on-demand ride hailing service for first- and last-mile connections in Minnesota, Wisconsin, Iowa, South Dakota, or North Dakota;

(6) analyze whether drivers and vehicles providing rides on a state-operated TNC should be regulated under the same operating standards and requirements for special transportation services as provided in Minnesota Statutes, section 174.30;

(7) identify best practices and innovative solutions to ensure that the state-operated TNC is fully accessible to individuals with disabilities;

(8) outline a phased implementation plan, including timelines, key milestones, and responsible entities for administering a state-operated TNC;

(9) propose policies and regulations for drivers on the state-operated TNC, including:

(i) whether drivers will have specified hours for rides solely on the state-operated TNC network or may alternate across transportation network platforms;

(ii) the employment classification of drivers on the state-operated TNC, including whether drivers are eligible for state employee benefits, the selection or hiring of drivers through the open appointment process, and any other identified employment concern;

(iii) whether the state will own or lease accessible vehicles, and if not, the responsible paying entity for gas, maintenance, storage, and insurance;

(iv) whether the state will be responsible for vehicle maintenance costs if the vehicle is used by a driver to provide rides on a private transportation network company;

(v) training standards and certification requirements for assisting people with disabilities, including continuing education and training requirements; and

(vi) standards for employment, including background checks of drivers, the inspection of vehicles, verification of insurance, or any other requirements of a taxicab driver or a transportation network driver under either city or state law;

(10) determine whether the state could develop the required digital network to host the state-operated TNC or whether a contract with a third-party would be appropriate to build and maintain the digital infrastructure necessary to operate the TNC; and

(11) highlight key user-friendly features for a state-operated TNC for both passengers and drivers and develop a plan to promote the availability and accessibility of the state-operated TNC among individuals with disabilities and their caregivers.

(d) The commissioner may conduct the study in coordination with other efforts at the department to review and analyze special transportation services provided by the Metropolitan Council. The commissioner must issue a preliminary report on the study upon submission of the report required in Laws 2024, chapter 127, article 3, section 125, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(e) Upon request by the commissioner, a transportation network company operating in Minnesota must provide sufficient information to assist in the preparation of the report. Information submitted by a transportation network company to the commissioner must include:

(1) the estimated time of arrival for wheelchair-accessible vehicles in Minnesota;

(2) the total number of wheelchair-accessible vehicles requested;

(3) the total number of rides fulfilled in wheelchair-accessible vehicles;

(4) the total number of wheelchair-accessible rides that were denied;

(5) the total number of requested wheelchair-accessible rides that were referred to a third party; and

(6) programs and best practices the transportation network company has implemented to improve the accessibility of service to individuals with disabilities.

Subd. 3. **Stakeholders.** (a) In developing the report and proposed legislation, the commissioner must consult interested stakeholders to evaluate current accessibility challenges and constraints for transportation network company riders who use a wheelchair or otherwise require specialized equipment or service for their prearranged ride.

(b) Stakeholders under paragraph (a) must include, but are not limited to:

(1) the Minnesota Council on Disability;

(2) a driver advocacy organization representing transportation network drivers;

(3) providers of nonemergency medical transportation and special transportation services in Minnesota;

(4) the State Patrol;

(5) transportation network companies operating in Minnesota;

(6) an organization with expertise in transportation and mobility planning or accessible transportation design;

(7) technology accessibility organizations to ensure a proposed state-operated TNC is designed and operated with all relevant accessibility features;

(8) the Department of Human Services;

(9) persons with disabilities and parents and caregivers of people with disabilities; and

(10) senior citizens or recipients of Social Security disability benefits.

(c) The commissioner must also establish a public notification and comment process on the department's website on the study required in subdivision 2, paragraph (b). The public notification process must attempt to raise public awareness of the potential development of a state-operated transportation network company among individuals with disabilities and solicit feedback from the public on technical and service considerations.

Subd. 4. **Report.** By August 15, 2026, the commissioner must submit a final report on the study to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation finance and policy. The report must include an identified amount of funds necessary for initial design and development of the state-operated TNC by the department.

Subd. 5. **Expiration.** This section expires upon the submission of the report required in subdivision 4 or June 30, 2027, whichever is earlier.

Sec. 91. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 169.011, so that the definitions appear in alphabetical order. The revisor must make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

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

Sec. 92. **REPEALER.**

(a) Minnesota Statutes 2024, section 473.452, is repealed.

(b) Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by Laws 2020, chapter 100, section 22, is repealed.

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

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

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying various transportation policy provisions relating to drivers' licenses, traffic safety, speed limits, the Advisory Council on Traffic Safety, cost participation policy development, commercial drivers' instructional permits, autonomous mower research, electronic aircraft attestation, pedestrian citations, work zone safety incorporated into driver's education and driver's examination, reintegration drivers' licenses, resilient pavement and asset sustainability programming, courtesy use of dealer plates and extension of expiration for certain temporary license plates, driver's license agents and deputy registrars, and various project development and design policies for the Department of Transportation State Aid for Local Transportation; delaying the effective date of when a motorcycle may lane filter and removing the authorization to split lanes; modifying various transportation finance policy provisions; increasing the surcharge for all-electric vehicles and instituting a surcharge for plug-in hybrid vehicles, all-electric motorcycles, and plug-in hybrid electric vehicles; requiring rulemaking; repealing state-aid design standards and certain provisions related to state-aid design variances; requiring reports; amending Minnesota Statutes 2024, sections 4.076, subdivisions 4, 5; 16A.88, subdivision 1a; 160.165; 161.045; 161.088, subdivision 2; 161.115, subdivision 177; 161.14, by adding a subdivision; 162.02, subdivision 3a, by adding subdivisions; 162.09, subdivision 3a, by adding subdivisions; 162.155; 168.013, subdivision 1m, by adding subdivisions; 168.091; 168.27, subdivision 16; 168.33, subdivision 7; 168A.10, by adding a subdivision; 168A.11, subdivision 1; 169.011, subdivision 36, by adding subdivisions; 169.06, subdivisions 5, 6; 169.09, subdivision 8; 169.14, by adding subdivisions; 169.21, subdivision 3; 169.71, subdivision 4a; 171.01, by adding a subdivision; 171.05, subdivision 1; 171.0605, subdivision 2, by adding a subdivision; 171.061, subdivision 4; 171.0701, by adding a subdivision; 171.0705, by adding a subdivision; 171.071, subdivision 2; 171.13, subdivisions 1, 7; 171.17, subdivision 1; 171.301, subdivisions 5, 6; 171.306, subdivision 8; 174.03, by adding subdivisions; 174.53; 174.634, subdivision 2; 174.75, subdivisions 2, 2a; 297A.94; 299A.55, subdivisions 2, 4; 360.511, by adding subdivisions; 360.55, subdivisions 4, 4a, 8, 9, by adding a subdivision; 473.129, by adding a subdivision; 473.13, subdivisions 1, 6; 473.142; 473.1425; 473.386, subdivision 10; 473.408, by adding a subdivision; 473.412, subdivision 3; 473.4465, by adding a subdivision; Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session

chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, sections 2, subdivisions 2, 3; 4, subdivision 5; article 2, section 2, subdivision 9, as amended; article 4, section 109; Laws 2024, chapter 127, article 1, sections 2, subdivision 3; 4, subdivision 3; article 3, section 61; proposing coding for new law in Minnesota Statutes, chapters 137; 160; 161; 162; 171; 174; repealing Minnesota Statutes 2024, section 473.452; Laws 2019, First Special Session chapter 3, article 2, section 34, as amended; Minnesota Rules, parts 8820.2500; 8820.3300, subparts 1, 1a, 3, 4; 8820.3400; 8820.9926, subpart 1; 8820.9936; 8820.9946; 8820.9956; 8820.9995."

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

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

S.F. No. 1417: A bill for an act relating to public safety; extending protection from report of fictitious emergency to all state or local correctional employees; clarifying Tribal Nation access and use of community supervision services subsidy; codifying certain provisions relating to management of individuals on post-incarceration supervision; repealing obsolete administrative rules of the hearing and release unit; modifying mental health unit pilot program; extending duration of pilot program; prorating cost of interstate transfer based on county share of probation population; providing for enhanced criminal penalties for theft of public funds; appropriating money for judiciary, public safety, and corrections; amending Minnesota Statutes 2024, sections 14.03, subdivision 3; 201.014, subdivision 2a; 241.26, subdivisions 1, 3, 4, 5, by adding a subdivision; 242.10; 242.19, subdivision 3; 242.44; 243.05, subdivisions 1, 2, 4; 243.88, subdivisions 2, 5, by adding a subdivision; 244.04, subdivisions 1, 2, by adding a subdivision; 244.05, subdivisions 1b, 2; 244.0513, subdivisions 1, 7, 8; 244.07, subdivision 1, by adding a subdivision; 244.13, subdivision 1; 244.171, subdivision 4; 244.19, subdivision 1c; 244.20; 299A.01, by adding a subdivision; 299F.47, subdivision 2; 401.01, subdivision 2; 401.03; 401.06, by adding a subdivision; 401.10, subdivision 1, by adding a subdivision; 401.11, subdivision 1; 401.12, subdivision 2; 401.14, subdivision 1; 609.105, subdivision 2; 609.495, subdivision 1; 609.78, subdivision 2c; Laws 2023, chapter 52, article 2, section 6, as amended; article 11, section 31; proposing coding for new law in Minnesota Statutes, chapters 243; 401; 609; repealing Minnesota Statutes 2024, sections 243.58; 244.065, subdivision 1; Minnesota Rules, parts 2940.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34; 2940.0200; 2940.0300; 2940.0400; 2940.0500; 2940.0600; 2940.0700; 2940.0800; 2940.0900; 2940.1000; 2940.1100; 2940.1200; 2940.1300; 2940.1400; 2940.1500; 2940.1600; 2940.1700; 2940.1800; 2940.1900; 2940.2000; 2940.2100; 2940.2200; 2940.2300; 2940.2400; 2940.2500; 2940.2600; 2940.2700; 2940.2800; 2940.2900; 2940.3000; 2940.3100; 2940.3200; 2940.3300; 2940.3400; 2940.3500; 2940.3600; 2940.3700; 2940.3800; 2940.3900; 2940.4000; 2940.4100; 2940.4200; 2940.4300; 2940.4400; 2940.4500; 2940.5700.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

JUDICIARY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	2027
Sec. 2. **SUPREME COURT**	$ 51,110,000	$ 52,319,000
(a) **Contingent Account**		
$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.		
(b) **Justices' Compensation**		
Justices' compensation is increased by one and one-half percent each year.		
(c) **Digital Accessibility**		
$828,000 each year is for digital accessibility. This is a onetime appropriation.		
Sec. 3. **BOARD OF CIVIL LEGAL AID**	$ 34,941,000	$ 35,467,000
The base for the Board of Civil Legal Aid is $35,519,000 in fiscal year 2028 and $35,520,000 in fiscal year 2029.		
Sec. 4. **COURT OF APPEALS**	$ 15,612,000	$ 15,969,000
Judges' Compensation		

Judges' compensation is increased by one and one-half percent each year.

Sec. 5. **DISTRICT COURTS**	**$**	**394,877,000**	**$**	**403,781,000**

(a) **Forensic Examiner Rate Increase**

$2,685,000 each year is to increase the hourly rate paid to forensic examiners.

(b) **Judges' Compensation**

Judges' compensation is increased by one and one-half percent each year.

Sec. 6. **GUARDIAN AD LITEM BOARD**	**$**	**25,867,000**	**$**	**26,120,000**
Sec. 7. **TAX COURT**	**$**	**2,312,000**	**$**	**2,353,000**
Sec. 8. **UNIFORM LAWS COMMISSION**	**$**	**115,000**	**$**	**115,000**
Sec. 9. **BOARD ON JUDICIAL STANDARDS**	**$**	**655,000**	**$**	**666,000**

(a) **Availability of Appropriation**

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

(b) **Major Disciplinary Actions**

$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures through June 30, 2027.

Sec. 10. **BOARD OF PUBLIC DEFENSE**	**$**	**165,459,000**	**$**	**166,842,000**
Sec. 11. **HUMAN RIGHTS**	**$**	**8,959,000**	**$**	**9,030,000**
Sec. 12. **OFFICE OF APPELLATE COUNSEL AND TRAINING**	**$**	**1,000,000**	**$**	**1,361,000**

Sec. 13. **MINNESOTA ATTAINMENT COMPETENCY BOARD**	**$**	**11,017,000**	**$**	**11,137,000**
Sec. 14. **CANNABIS EXPUNGEMENT BOARD**	**$**	**5,371,000**	**$**	**5,386,000**
Sec. 15. **ATTORNEY GENERAL**	**$**	**438,000**	**$**	**438,000**

Civil Commitment Coordinating Division

$438,000 each year is for the Civil Commitment Coordinating Division under Minnesota Statutes, section 8.37.

Sec. 16. **SECRETARY OF STATE**	**$**	**18,000**	**$**	**-0-**

$18,000 the first year is to implement Minnesota Statutes, section 480.50, relating to judicial official data privacy for real property records.

Sec. 17. Minnesota Statutes 2024, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. ~~$30~~ $60 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, 260C.331, and 518A.82, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 260, 260A, 260B, 260C, and 260D.

Sec. 18. Minnesota Statutes 2024, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or

other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~$285~~ $310, except in marriage dissolution actions the fee is ~~$315~~ $340.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~$285~~ $310, except in marriage dissolution actions the fee is ~~$315~~ $340. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay $100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $14.

(3) Issuing a subpoena, $16 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, ~~$75~~ $100.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $55.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $40.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(8) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, $5.

(10) For the filing of each partial, final, or annual account in all trusteeships, $55.

(11) For the deposit of a will, $27.

(12) For recording notary commission, $20.

(13) Filing a motion or response to a motion for modification of child support, a fee of $50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of $75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents. No fee may be charged to view or download a publicly available instrument from a civil or criminal proceeding or for an uncertified copy of that instrument.

ARTICLE 2

PUBLIC SAFETY APPROPRIATIONS

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 for the fiscal year ending June 30, 2025, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30	
	2025	2026	2027
Sec. 2. **SENTENCING GUIDELINES**	$	**1,092,000**	$ **1,112,000**
Sec. 3. **PUBLIC SAFETY**			
Subdivision 1. **Total Appropriation**	$	**282,501,000**	$ **269,313,000**

Appropriations by Fund

	2026	2027
General	175,148,000	176,057,000
Special Revenue	21,879,000	21,779,000
State Government Special Revenue	103,000	103,000
Environmental	130,000	133,000
Trunk Highway	2,429,000	2,429,000
911 Fund	82,597,000	68,597,000
Workers' Compensation Fund	215,000	215,000

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

Subd. 2. **Emergency Management** 5,165,000 5,555,000

	Appropriations by Fund	
General	5,035,000	5,422,000
Environmental	130,000	133,000

Subd. 3. **Supplemental Nonprofit Security Grants**

$125,000 each year is for supplemental nonprofit security grants under this subdivision. Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this subdivision. No additional application shall be required for grants under this subdivision, and an application for a grant from the federal program is also an application for funding from the state supplemental program. Eligible organizations may receive grants of up to $75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed $75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program. The commissioner may use up to one percent of the appropriation received under this subdivision to pay costs incurred by the department in administering the supplemental nonprofit security grant program. This is a onetime appropriation.

Subd. 4. **Criminal Apprehension** 112,438,000 112,950,000

	Appropriations by Fund	
General	109,787,000	110,299,000
State Government Special Revenue	7,000	7,000
Trunk Highway	2,429,000	2,429,000
Workers' Compensation Fund	215,000	215,000

(a) **DWI Lab Analysis; Trunk Highway Fund**

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, $2,429,000 the first year and $2,429,000 the second year are from the trunk highway fund for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) **Fraud and Financial Crime Unit**

$1,115,000 each year from the general fund and $215,000 each year from the workers' compensation fund are for the Financial Crimes and Fraud Section in Minnesota Statutes, section 299C.061, and may not be used for any other purpose.

Subd. 5. **Fire Marshal** 20,117,000 20,017,000

	Appropriations by Fund	
General	4,190,000	4,190,000
Special Revenue	15,927,000	15,827,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The base appropriation for this account is $15,927,000 in fiscal year 2028 and $15,827,000 in fiscal year 2029.

(a) **Hazardous Materials and Emergency Response Teams**

$2,170,000 the first year and $2,070,000 the second year are from the fire safety account

for hazardous materials and emergency response teams. The base for these purposes is $2,170,000 in the first year of future biennia and $2,070,000 in the second year of future biennia.

(b) **Bomb Squad Reimbursements**

$250,000 from the fire safety account and $50,000 from the general fund each year are for reimbursements to local governments for bomb squad services.

(c) **Nonresponsible Party Reimbursements**

$750,000 each year from the fire safety account is for nonresponsible party hazardous material and bomb squad incident reimbursements. Money appropriated for this purpose is available for one year.

(d) **Hometown Heroes Assistance Program**

$4,000,000 each year from the general fund is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

(e) **Task Force 1**

$1,425,000 each year from the fire safety account is for the Minnesota Task Force 1.

(f) **Task Force 2**

$300,000 each year from the fire safety account is for the Minnesota Task Force 2.

(g) **Air Rescue**

$500,000 each year from the fire safety account is for the Minnesota Air Rescue Team.

(h) **Fire Service Assessment**

The state fire marshal shall conduct or contract with a third party to conduct a comprehensive assessment of how

firefighting services are provided in Minnesota and make recommendations for any proposed changes. At a minimum, the assessment must include:

(1) a macro-level review and analysis of incidents; incident types; response metrics; geographical distribution; life, safety, and property damage impacts; and trend projection analysis, benchmarked against national standards and best practices, including those of the National Fire Protection Association;

(2) an analysis of the number of fire departments and types of staffing in Minnesota compared to other states regionally and nationally, including staff response by time of day and day of the week;

(3) an analysis of the available data sets to determine what data is incomplete, inaccurate, or missing to make informed decisions in the future;

(4) an analysis of the effective response force of firefighters across the state, identifying any trends and patterns impacting the delivery of fire and life safety services;

(5) an analysis of the training, certification, and licensing of Minnesota firefighters, including initial and annual training, officers, inspectors, investigators, and specialty disciplines such as technical rescue and hazardous materials;

(6) an analysis of the recruitment and retention of fire department staff including volunteer, paid-on-call, part-time, contract, and full-time firefighters;

(7) a macro-level evaluation of fire department equipment, including personal protective equipment, apparatus equipment, communications equipment, and infrastructure, benchmarked against national standards and best practices, including those

of the National Fire Protection Association; and

(8) a macro-level evaluation of the funding for firefighting services in Minnesota and how it compares to other states.

In conducting the assessment, the fire marshal shall hold in-person and virtual stakeholder listening sessions with the Minnesota State Fire Chiefs Association, the Minnesota State Fire Department Association, the Minnesota Professional Firefighters Association, the League of Minnesota Cities, the Minnesota Association of Townships, and other statewide and regional associations identified by the commissioner of public safety. In conducting the assessment and making recommendations for proposed changes, the fire marshal shall consider the current diverse nature of the fire service in Minnesota, including the various staffing models employed and the geographical makeup of the state.

The fire marshal may request onetime funding to complete this assessment through the Fire Service Advisory Committee.

By December 31, 2026, the fire marshal shall report on the assessment conducted and any recommendations for changes to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and commerce.

Subd. 6. **Firefighter Training and Education Board**		5,500,000	5,500,000
	Appropriations by Fund		
Special Revenue	5,500,000	5,500,000	

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) **Firefighter Training and Education**

$5,500,000 each year from the fire safety account is for firefighter training and education.

(b) **Unappropriated Revenue**

Any additional unappropriated money collected in fiscal year 2025 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 7. **Alcohol and Gambling Enforcement**			3,949,000	3,954,000
	Appropriations by Fund			
General	3,879,000	3,884,000		
Special Revenue	70,000	70,000		

$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

Subd. 8. **Office of Justice Programs**			52,353,000	52,358,000
	Appropriations by Fund			
General	52,257,000	52,262,000		
State Government Special Revenue	96,000	96,000		

(a) **Violence Prevention Project Research Center**

$250,000 each year is to fund a violence prevention project research center that operates as a nonprofit, nonpartisan research center dedicated to reducing violence in society and using data and analysis to improve criminal-justice-related policy and practice in Minnesota. The research center must place an emphasis on issues related to gun violence. This is a onetime appropriation.

(b) **Legal Representation for Children**

$100,000 each year is for a grant to an organization that provides legal representation for children in need of

protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. This is a onetime appropriation and is in addition to any other appropriations for the legal representation of children.

(c) **MSOP; Moose Lake-Related Costs**

$50,000 each year is for a grant to Carlton County to be used for law enforcement, prosecution, and litigation expenses arising from the actions of clients at the Minnesota Sex Offender Program facility at Moose Lake. This is a onetime appropriation.

(d) **At-Risk Youth in Rochester, St. Cloud, and Excelsior**

$150,000 each year is for grants in equal amounts to 180 Degrees in the Rochester regional area, St. Cloud regional area, and central Minnesota region west of the Twin Cities to address racial disparities of youth using shelter services. The 180 Degrees shelters in each region shall establish and operate a program connected to shelter services to engage in community outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. This program shall specifically address the large geographic rural areas served where at-risk youth enter shelters in Rochester, St. Cloud, and Excelsior. This is a onetime appropriation.

(e) **Prosecutorial and Law Enforcement Training**

$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school

training and train-the-trainer courses. This is a onetime appropriation.

Subd. 9. **Emergency Communication Networks** 82,597,000 68,597,000

Appropriations by Fund

911 Fund 82,597,000 68,597,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services unless otherwise indicated.

(a) **Public Safety Answering Points**

$28,011,000 the first year and $28,011,000 the second year shall be distributed as provided under Minnesota Statutes, section 403.113, subdivision 2.

Each eligible entity receiving these funds must provide a detailed report on how the funds were used to the commissioner of public safety by August 1, 2027.

(b) **ARMER State Backbone Operating Costs**

$10,384,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(c) **Statewide Emergency Communications Board**

$1,000,000 each year is to the Statewide Emergency Communications Board. Funds may be used for operating costs, to provide competitive grants to local units of government to fund enhancements to a communication system, technology, or support activity that directly provides the ability to deliver the 911 call between the entry point to the 911 system and the first responder, and to further the strategic goals set forth by the SECB Statewide Communication Interoperability Plan.

(d) **ARMER Critical Infrastructure**

$14,000,000 the first year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone. This is a onetime appropriation and is available until June 30, 2029.

Subd. 10. **Driver and Vehicle Services**				382,000	382,000

Ignition Interlock

$382,000 each year is from the driver and vehicle services operating account in the special revenue fund for staffing costs related to the modifications to the ignition interlock device program proposed in 2025 Senate File 2068.

Sec. 4. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD**			**$**	**7,749,000**	**$** **7,797,000**

(a) **Peace Officer Training Reimbursements**

$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

(b) **Philando Castile Memorial Training Fund**

$1,000,000 each year is to support and strengthen law enforcement training and implement best practices. These funds may only be used to reimburse costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8452, 626.8469, and 626.8474. This is a onetime appropriation.

Sec. 5. **PRIVATE DETECTIVE BOARD**			**$**	**697,000**	**$** **706,000**

Sec. 6. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$**	**9,091,000**	**$**	**824,336,000**	**$** **835,273,000**

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

Subd. 2. **Incarceration and Prerelease Services**	**$ 9,091,000**	**$ 571,289,000**	**$ 579,340,000**

(a) **Operating Deficiency**

$9,091,000 in fiscal year 2025 is to meet financial obligations in fiscal year 2025. This is a onetime appropriation.

(b) **Task Force on Mandatory Minimum Sentences**

$133,000 the first year is for the task force on mandatory minimum sentences.

(c) **Incarceration and Prerelease Services Base Budget**

The base for incarceration and prerelease services is $579,583,000 in fiscal year 2028 and $579,638,000 in fiscal year 2029.

Subd. 3. **Community Supervision and Postrelease Services**		193,304,000	195,647,000

(a) **Community Supervision Funding**

$143,378,000 each year is for community supervision services. This appropriation shall be distributed according to the community supervision formula in Minnesota Statutes, section 401.10.

(b) **Tribal Nation Supervision**

$2,750,000 each year is for Tribal Nations to provide supervision or supportive services pursuant to Minnesota Statutes, section 401.10.

(c) **Housing Initiatives**

$1,685,000 each year is for housing initiatives to support stable housing of incarcerated individuals upon release.

(d) **Sentence to Service Programs**

$1,773,000 each year is for sentence to service programs.

(e) **Community Supervision and Postrelease Services Base Budget**

The base for community supervision and postrelease services is $195,647,000 in fiscal year 2028 and $195,647,000 in fiscal year 2029.

Subd. 4. **Organizational, Regulatory, and Administrative Services**	59,743,000	60,286,000

Organizational, Regulatory, and Administrative Services Base Budget

The base for organizational, regulatory, and administrative services is $60,286,000 in fiscal year 2028 and $60,286,000 in fiscal year 2029.

Sec. 7. **OMBUDSPERSON FOR CORRECTIONS**	**$ 1,118,000**	**$ 1,137,000**
Sec. 8. **CLEMENCY REVIEW COMMISSION**	**$ 995,000**	**$ 1,005,000**

Sec. 9. **GENERAL FUND TRANSFER; MINNESOTA VICTIMS OF CRIME ACCOUNT.**

$3,000,000 the first year is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund under Minnesota Statutes, section 299A.708.

Sec. 10. Minnesota Statutes 2024, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **Killed in the line of duty.** (a) "Killed in the line of duty" does not include any deaths from natural causes, except as expressly provided in this subdivision. In the case of a public safety officer, killed in the line of duty includes the death of a public safety officer caused by accidental means while the public safety officer is acting in the course and scope of duties as a public safety officer. Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in ~~a situation, and that engagement involved nonroutine stressful or strenuous physical~~ law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

(ii) participated in a training exercise~~, and that participation involved nonroutine stressful or strenuous physical activity~~;

(2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

(i) while engaging or participating under clause (1);

(ii) while still on duty after engaging or participating under clause (1); or

(iii) not later than 24 hours after engaging or participating under clause (1); and

(3) the presumption is not overcome by competent medical evidence to the contrary.

(b) "Killed in the line of duty" also means that the officer died due to suicide:

(1) secondary to a diagnosis of posttraumatic stress disorder as described in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association; or

(2) within 45 days of the end of exposure, while on duty, to a traumatic event.

(c) "Killed in the line of duty" also means that the officer died as a result of complications caused by exposure sustained in the line of duty to any of the following infectious diseases, viruses, or bacteria, if medical records identify the disease, virus, or bacteria as a cause of or contributing factor to the death: COVID-19; influenza; hepatitis B; hepatitis C; tuberculosis; HIV/AIDS; meningitis; MRSA; whooping cough; or streptococcus pneumoniae.

EFFECTIVE DATE; RETROACTIVE APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 11. Minnesota Statutes 2024, section 299A.41, subdivision 4, is amended to read:

Subd. 4. **Public safety officer.** "Public safety officer" includes:

(1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a corrections staff person working in a public agency and supervising offenders in the community as defined in sections 243.05, subdivision 6; 244.19, subdivision 1; and 401.01, subdivision 2;

(4) an individual employed on a full-time or part-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in any of the following duties:

(i) firefighting;

(ii) emergency motor vehicle operation;

(iii) investigation into the cause and origin of fires;

(iv) the provision of emergency medical services; or

(v) hazardous material responder;

(5) a legally enrolled member of a volunteer or paid-on-call fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(6) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(7) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(8) a driver or attendant with a licensed basic or advanced life-support transportation service who is engaged in providing emergency care;

(9) a first responder who is certified by the director of the Office of Emergency Medical Services to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance; ~~and~~

(10) a person, other than a state trooper, employed by the commissioner of public safety and assigned to the State Patrol, whose primary employment duty is either Capitol security or the enforcement of commercial motor vehicle laws and regulations; and

(11) a person formerly employed as a public safety officer under clauses (1) to (5) or (7) to (10), if the person separated from service due to a duty disability as defined in section 353.01, subdivision 41.

EFFECTIVE DATE; RETROACTIVE APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 12. **[299A.708] MINNESOTA VICTIMS OF CRIME ACCOUNT.**

Subdivision 1. **Account established.** The Minnesota victims of crime account is established in the special revenue fund.

Subd. 2. **Source of funds.** Money in the account consists of:

(1) general fund transfers;

(2) gifts, donations, and any interest or earnings of the account; and

(3) penalty assessments collected under section 609.1015.

Subd. 3. **Appropriation; account purpose; grants.** Money in the account, including interest accrued, is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to crime victim services providers. Grants must be used for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime and may provide: direct

client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state.

Subd. 4. **Carryover.** Money in the account does not cancel but remains available for expenditures for grants identified in subdivision 3.

Sec. 13. **[609.1015] CORPORATE OFFENDERS; PENALTY ASSESSMENT REQUIRED.**

(a) As used in this section, "corporation" means any entity, other than a natural person, that is capable under the laws of any state to sue, be sued, own property, contract, or employ another.

(b) When a court is sentencing a corporation that has been convicted of a crime, the court shall impose an assessment of up to $1,000,000 if the conviction is for a felony offense, up to $250,000 if the conviction is for a gross misdemeanor offense, and up to $100,000 if the conviction is for a misdemeanor offense. The assessment is in addition to any criminal fines, restitution, or surcharge otherwise authorized or required under law. The court shall impose an assessment of not less than 30 percent of the maximum assessment authorized by this section unless the defendant makes a showing of undue hardship. The court may not waive payment of the assessment.

(c) In setting the amount of the assessment, the court shall take the following into consideration:

(1) the nature and seriousness of the offense;

(2) the number of offenses committed;

(3) the persistence of the criminal conduct;

(4) the length of time over which the criminal conduct occurred;

(5) the willfulness of the corporation's criminal conduct;

(6) the corporation's assets, liabilities, and net worth; and

(7) the particular harm to victims of the crime.

(d) Assessments collected under this section must be deposited into the Minnesota victims of crime account under section 299A.708.

Sec. 14. **[626.5536] LAW ENFORCEMENT REQUIRED TO REGISTER FOR ETRACE SYSTEM AND TRACE AND REPORT ON RECOVERED OR CONFISCATED FIREARMS.**

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

(1) "recovered or confiscated" means any of the following:

(i) obtained from a crime scene or in connection with a criminal investigation;

(ii) seized by a law enforcement agency;

(iii) forfeited to a law enforcement agency;

(iv) acquired by a law enforcement agency as an abandoned or discarded firearm;

(v) obtained following the unlawful discharge of a firearm; or

(vi) otherwise obtained and reasonably believed to be connected to a crime; and

(2) "law enforcement agency" does not include the State Patrol or the Department of Natural Resources.

Subd. 2. **Reporting required.** (a) Each law enforcement agency shall register for the United States Bureau of Alcohol, Tobacco, Firearms and Explosives National Tracing Center's eTrace system, and opt-in to the system's collective data sharing feature.

(b) Whenever a firearm is recovered or confiscated by a law enforcement agency, the agency must, as soon as practicable:

(1) transmit information relating to the firearm to the eTrace system; and

(2) to the extent testing equipment is available, arrange for the firearm to be test fired and the results submitted to the National Integrated Ballistics Information Network.

(c) Whenever a shell casing is recovered or confiscated by a law enforcement agency, that agency must, as soon as practicable, submit the ballistics information to the National Integrated Ballistics Information Network.

Sec. 15. Laws 2023, chapter 52, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. **Public Safety Administration**	1,000,000	2,250,000	2,000,000

(a) **Public Safety Officer Survivor Benefits**

$1,000,000 in fiscal year 2023, $1,000,000 in fiscal year 2024, and $1,000,000 in fiscal year 2025 are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until June 30, 2027.

(b) **Soft Body Armor Reimbursements**

$1,000,000 each year is for increases in the base appropriation for soft body armor reimbursements under Minnesota Statutes, section 299A.38. This is a onetime appropriation.

(c) **Firearm Storage Grants**

$250,000 the first year is for grants to local or state law enforcement agencies to support the safe and secure storage of firearms owned by persons subject to extreme risk protection orders. The commissioner must apply for a grant from the Byrne State Crisis Intervention Program to supplement the funds appropriated by the legislature for implementation of Minnesota Statutes, sections 624.7171 to 624.7178 and 626.8481. Of the federal funds received, the commissioner must dedicate at least an amount that is equal to this appropriation to fund safe and secure firearms storage grants provided for under this paragraph.

Sec. 16. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, and Laws 2024, chapter 123, article 1, section 11, and Laws 2024, chapter 123, article 9, section 3, is amended to read:

Subd. 8. **Office of Justice Programs**	94,758,000	80,434,000
Appropriations by Fund		
General	94,662,000	80,338,000
State Government Special Revenue	96,000	96,000

(a) **Domestic and Sexual Violence Housing**

$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this

appropriation is $1,000,000 beginning in fiscal year 2026.

(b) **Federal Victims of Crime Funding Gap**

$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

(c) **Office for Missing and Murdered Black Women and Girls**

$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

(d) **Increased Staffing**

$667,000 the first year and $1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

(e) **Office of Restorative Practices**

$500,000 each year is to establish and maintain the Office of Restorative Practices.

(f) **Crossover and Dual-Status Youth Model Grants**

$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy

National Resource Center for Juvenile Justice model. This is a onetime appropriation.

(g) **Restorative Practices Initiatives Grants**

$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6, and for a restitution grant program under Minnesota Statutes, section 299A.955. This appropriation is available until June 30, 2026. The base for this appropriation is $2,500,000 beginning in fiscal year 2026.

(h) **Ramsey County Youth Treatment Homes Acquisition and Betterment**

$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court. This appropriation is available through June 30, ~~2026~~ 2027.

(i) **Ramsey County Violence Prevention**

$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict

or crisis de-escalation to prevent incarceration or further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

(j) **Office for Missing and Murdered Indigenous Relatives**

$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

(k) **Youth Intervention Programs**

$3,525,000 the first year and $3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is $3,526,000 in fiscal year 2026 and $3,525,000 in fiscal year 2027.

(l) **Community Crime Intervention and Prevention Grants**

$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

(m) **Resources for Victims of Crime**

$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

(n) **Prosecutor Training**

$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All

training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

(o) **Minnesota Heals**

$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(p) **Sexual Assault Exam Costs**

$3,967,000 the first year and $3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is $3,771,000 in fiscal year 2026 and $3,776,000 in fiscal year 2027.

(q) **First Responder Mental Health Curriculum**

$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors

of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(r) **Pathways to Policing**

$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

(s) **Direct Assistance to Crime Victim Survivors**

$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct

client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

(t) **Racially Diverse Youth**

$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, $125,000 each year is to address this issue in the Rochester area and $125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

(u) **Violence Prevention Project Research Center**

$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an

emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a description of the data reviewed, an analysis of that data, and recommendations to improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

(v) **Report on Approaches to Address Illicit Drug Use in Minnesota**

$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose

and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

(w) **Legal Representation for Children**

$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

(x) **Pretrial Release Study and Report**

$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

(y) **Intensive Comprehensive Peace Officer Education and Training Program**

$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

(z) **Youth Services Office**

$250,000 each year is to operate the Youth Services Office.

Sec. 17. Laws 2023, chapter 52, article 2, section 6, as amended by Laws 2024, chapter 123, article 1, section 12, and Laws 2024, chapter 123, article 1, section 13, is amended to read:

Sec. 6. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$ 12,643,000**	**$ 797,937,000**	**$ 825,675,000**

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

Subd. 2. **Incarceration and Prerelease Services**	**$ 12,643,000**	**$ 534,412,000**	**$ 561,421,000**

(a) **Operating Deficiency**

$12,643,000 in fiscal year 2023 is to meet financial obligations in fiscal year 2023. This is a onetime appropriation.

(b) **Reallocation**

Up to $4,050,000 in fiscal year 2025 may be used for other financial obligations.

~~(b)~~ (c) **Body-worn Camera Program**

$1,000,000 each year is to create a body-worn camera program for corrections officers and intensive supervised release agents. This appropriation is onetime.

~~(c)~~ (d) **ARMER Radio System**

$1,500,000 each year is to upgrade and maintain the ARMER radio system within correctional facilities. This is a onetime appropriation.

~~(d)~~ (e) **Prison Rape Elimination Act**

$500,000 each year is for Prison Rape Elimination Act (PREA) compliance.

~~(e)~~ (f) **State Corrections Safety and Security**

$1,932,000 ~~each~~ in fiscal year 2024 and $1,632,000 in fiscal year 2025 is for state corrections safety and security investments. The base for this appropriation is $2,625,000 beginning in fiscal year 2026.

~~(f)~~ (g) **Health Services**

$2,750,000 each year is for increased health care services. The base for this appropriation is $3,400,000 beginning in fiscal year 2026.

~~(g)~~ (h) **Educational Programming and Support Services**

$5,600,000 the first year and ~~$4,000,000~~ $1,000,000 the second year are for educational programming and support services. The base for this purpose is $2,000,000 beginning in fiscal year 2026.

~~(h)~~ (i) **Family Support Unit**

$480,000 each year is for a family support unit.

~~(i)~~ (j) **Inmate Phone Calls**

$3,100,000 each year is to provide voice communication services for incarcerated persons under Minnesota Statutes, section 241.252. Any unencumbered balance remaining at the end of the first year may be carried forward into the second year. If this appropriation is greater than the cost of providing voice communication services, remaining funds must be used to offset the cost of other communication services.

~~(j)~~ (k) **Virtual Court Coordination**

$500,000 each year is for virtual court coordination and modernization.

~~(k)~~ (l) **Supportive Arts for Incarcerated Persons**

$425,000 the first year is for supportive arts for incarcerated persons grants as provided for in section 17. Of this amount, up to ten percent is for administration, including facility space, access, liaison, and monitoring. Any unencumbered balance remaining at the end of the first year does not cancel but is available for this purpose in the second year.

~~(l)~~ (m) **Successful Re-entry**

$375,000 the first year and ~~$875,000~~ $375,000 the second year are for reentry initiatives, including a culturally specific release program for Native American incarcerated individuals. The base for this appropriation beginning in fiscal year 2026 is $875,000.

~~(m)~~ (n) **Evidence-based Correctional Practices Unit**

$750,000 ~~each~~ in fiscal year 2024 and $500,000 in fiscal year 2025 is to establish and maintain a unit to direct and oversee the use of evidence-based correctional practices across the department and supervision delivery systems. The base for this appropriation beginning in fiscal year 2026 is $750,000.

~~(n)~~ (o) **Interstate Compact for Adult Supervision; Transfer Expense Reimbursement**

$250,000 each year is for reimbursements under Minnesota Statutes, section 243.1609. This is a onetime appropriation.

~~(o)~~ (p) **Task Force on Aiding and Abetting Felony Murder**

$25,000 the first year is for costs associated with the revival of the task force on aiding and abetting felony murder.

~~(p)~~ (q) **Incarceration and Prerelease Services Base Budget**

The base for incarceration and prerelease services is $552,775,000 in fiscal year 2026 and $553,043,000 in fiscal year 2027.

Subd. 3. **Community Supervision and Postrelease Services**	189,939,000	190,953,000

(a) **Community Supervision Funding**

$143,378,000 each year is for community supervision services. This appropriation shall be distributed according to the community supervision formula in Minnesota Statutes, section 401.10.

~~(b) **Tribal Nation Supervision**~~

~~$2,750,000 each year is for Tribal Nations to provide supervision or supportive services pursuant to Minnesota Statutes, section 401.10.~~

(b) **Reallocation**

Up to $5,750,000 in fiscal year 2025 may be used for other financial obligations.

(c) **Postrelease Sex Offender Program**

$1,915,000 each year is for postrelease sex offender treatment services and initiatives.

(d) **Community Supervision Advisory Committee**

$75,000 the first year is to fund the community supervision advisory committee under Minnesota Statutes, section 401.17.

(e) **Regional and County Jails Study and Report**

$150,000 the first year is to fund the commissioner's study and report on the consolidation or merger of county jails and alternatives to incarceration for persons experiencing mental health disorders.

(f) **Work Release Programs**

$500,000 each year is for work release programs.

(g) **County Discharge Plans**

$80,000 each year is to develop model discharge plans pursuant to Minnesota Statutes, section 641.155. This appropriation is onetime.

(h) **Housing Initiatives**

$2,130,000 ~~each~~ in fiscal year 2024 and $880,000 in fiscal year 2025 is for housing initiatives to support stable housing of incarcerated individuals upon release. The base for this purpose beginning in fiscal year 2026 is $1,685,000. ~~Of this amount:~~

~~(1) $1,000,000 each year is for housing stabilization prerelease services and program evaluation. The base for this purpose beginning in fiscal year 2026 is $760,000;~~

~~(2) $500,000 each year is for rental assistance for incarcerated individuals approaching release, on supervised release, or on probation who are at risk of homelessness;~~

~~(3) $405,000 each year is for culturally responsive trauma-informed transitional housing. The base for this purpose beginning in fiscal year 2026 is $200,000; and~~

~~(4) $225,000 each year is for housing coordination activities.~~

(i) **Community Supervision and Postrelease Services Base Budget**

The base for community supervision and postrelease services is $189,272,000 in fiscal year 2026 and $189,172,000 in fiscal year 2027.

(j) **Naloxone**

$2,000 each year is to purchase naloxone for supervised release agents to use to respond to overdoses.

Subd. 4. **Organizational, Regulatory, and Administrative Services** 73,586,000 73,301,000

(a) **Public Safety Data Infrastructure**

$22,914,000 the first year and $22,915,000 the second year are for technology modernization and the development of an information-sharing and data-technology infrastructure. The base for this purpose is $4,097,000 beginning in fiscal year 2026. Any unspent funds from the current biennium do not cancel and are available in the next biennium.

(b) **Reallocation**

Up to $200,000 in fiscal year 2025 may be used for other financial obligations.

~~(b)~~ (c) **Supervised Release Board**

$40,000 each year is to establish and operate the supervised release board pursuant to Minnesota Statutes, section 244.049.

~~(c)~~ (d) **Recruitment and Retention**

$3,200,000 the first year and $400,000 the second year are for recruitment and retention initiatives. Of this amount, $2,800,000 the first year is for staff recruitment, professional development, conflict resolution, and staff wellness, and to contract with community collaborative partners who specialize in trauma recovery.

~~(d)~~ (e) **Clemency Review Commission**

$986,000 the first year is for the clemency review commission described in Minnesota Statutes, section 638.09. Of this amount, $200,000 each year is for grants to support outreach and clemency application assistance. Any unencumbered balance remaining in the first year does not cancel, but must be transferred to the Clemency Review Commission by July 30, 2024. Funds transferred under this paragraph are available until June 30, 2025.

~~(e)~~ (f) **Accountability and Transparency**

$1,000,000 ~~each~~ in fiscal year 2024 and $800,000 in fiscal year 2025 is for accountability and transparency initiatives. The base for this appropriation is $1,480,000 beginning in fiscal year 2026.

~~(f)~~ (g) **Organizational, Regulatory, and Administrative Services Base Budget**

The base for organizational, regulatory, and administrative services is $54,863,000 in fiscal year 2026 and $54,663,000 in fiscal year 2027.

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

Sec. 18. Laws 2023, chapter 68, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Administration and Related Services**

(a) **Office of Communications**	896,000	1,148,000

This appropriation is from the general fund.

(b) **Public Safety Support**	9,976,000	11,773,000

Appropriations by Fund	2024	2025
General	5,049,000	6,564,000
Trunk Highway	4,927,000	5,209,000

$1,482,000 in each year is from the general fund for staff and operating costs related to public engagement activities.

(c) **Public Safety Officer Survivor Benefits**	640,000	640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation is available until June 30, 2027.

(d) **Public Safety Officer Reimbursements** 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) **Soft Body Armor Reimbursements** 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Services** 6,712,000 6,783,000

Appropriations by Fund	2024	2025
General	1,645,000	1,684,000
Trunk Highway	5,067,000	5,099,000

Sec. 19. **TASK FORCE ON MANDATORY MINIMUM SENTENCES.**

Subdivision 1. **Definition.** As used in this section, "mandatory minimum" means legislatively defined, predetermined sentencing requirements, including but not limited to sentencing requirements under Minnesota Statutes, sections 152.021, 152.022, and 609.11, that mandate a minimum period of commitment to the commissioner of corrections upon conviction for certain offenses.

Subd. 2. **Establishment.** The Task Force on Mandatory Minimum Sentences is established to collect and analyze data on the charging, convicting, and sentencing of persons to mandatory minimum sentences; assess whether current laws and practices promote public safety and equity in sentencing; and make recommendations to the legislature.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) the commissioner of corrections, or a designee;

(2) the executive director of the Minnesota Sentencing Guidelines Commission, or a designee;

(3) the state public defender, or a designee;

(4) the statewide coordinator of the Violent Crime Coordinating Council, or a designee;

(5) one defense attorney, appointed by the Minnesota Association of Criminal Defense Lawyers;

(6) two county attorneys, one from Hennepin or Ramsey County and one from outside the seven-county metropolitan area, appointed by the Minnesota County Attorneys Association;

(7) a peace officer familiar with shooting investigations, appointed by the Minnesota Sheriffs' Association;

(8) a peace officer familiar with shooting investigations, appointed by the Minnesota Chiefs of Police Association;

(9) one member representing a victims' rights organization, appointed by the senate majority leader;

(10) one member of a statewide civil rights organization, appointed by the speaker of the house of representatives;

(11) one impacted person who is directly related to a person who has been convicted of a mandatory minimum sentence or who has themselves been convicted of a mandatory minimum sentence and has completed the sentence, appointed by the governor; and

(12) one person with academic expertise regarding the laws and practices of other states relating to mandatory minimum sentences, appointed by the governor.

(b) Appointments must be made no later than July 30, 2025.

(c) Members shall serve without compensation.

(d) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 4. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of corrections shall convene the first meeting of the task force no later than August 1, 2025, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of the chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To compile and analyze data, the task force shall request the cooperation and assistance of local law enforcement agencies, the Minnesota Sentencing Guidelines Commission, the judicial branch, the Bureau of Criminal Apprehension, county attorneys, and Tribal governments and may request the cooperation of academics and others with experience and expertise in researching the impact of mandatory minimum sentences.

Subd. 5. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze data on charges, convictions, and sentences that involve mandatory minimum sentences;

(2) collect and analyze data on mandatory minimum sentences in which a person received a mitigated durational departure because the mandatory minimum sentence was seen as inappropriate by a judge or county attorney, or both;

(3) collect and analyze data on mandatory minimum sentences in which a person likely would have received a mitigated durational departure but for the enforcement of a mandatory minimum sentence;

(4) collect and analyze data on charges, convictions, and sentences for codefendants of persons sentenced to a mandatory minimum sentence;

(5) review relevant state statutes and state and federal court decisions;

(6) receive input from persons who were convicted of a crime with a mandatory minimum sentence;

(7) receive input from family members of persons who were convicted of a crime with a mandatory minimum sentence;

(8) receive input from persons who were victims of crimes with a mandatory minimum sentence;

(9) receive input from family members of persons who were victims of crimes with a mandatory minimum sentence;

(10) analyze the benefits and unintended consequences of state statutes and practices related to the charging, convicting, and sentencing of persons of crimes with mandatory minimum sentences, including but not limited to an analysis of whether current statutes and practices:

(i) promote public safety; and

(ii) properly punish a person for that person's role in an offense; and

(11) make recommendations for legislative action, if any, on laws affecting:

(i) the collection and reporting of data; and

(ii) the charging, convicting, and sentencing of persons for crimes with mandatory minimum sentences.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 6. **Report.** On or before August 15, 2026, the task force shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal sentencing on the findings and recommendations of the task force.

Subd. 7. **Expiration.** The task force expires the day after submitting the report under subdivision 6.

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

Sec. 20. **PROCESS FOR RETROACTIVE CLAIMS.**

(a) Notwithstanding Minnesota Statutes, section 299A.47, claims for benefits arising out of deaths occurring before July 1, 2025, where eligibility is due to the retroactive changes made in this act are timely if filed by July 1, 2027. Claims for benefits arising out of deaths that occur on or after July 1, 2027, are subject to the limitation period described in Minnesota Statutes, section 299A.47.

(b) Notwithstanding Minnesota Statutes, section 299A.47, the commissioner of public safety shall review previously denied benefit claims for deaths occurring between February 1, 2020, and the effective date of this act, determine whether the applicant is eligible for benefits based on the retroactive application of the amendments made in this act, and award applicable benefits as necessary.

ARTICLE 3

FINANCIAL CRIMES AND FRAUD INVESTIGATIONS

Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, ~~the Department of Commerce,~~ and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

Sec. 2. Minnesota Statutes 2024, section 43A.17, subdivision 13, is amended to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, including Financial Crimes and Fraud Section agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; and Department of Corrections Fugitive Apprehension Unit members~~; and Commerce Fraud Bureau agents in the Department of Commerce~~.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

Sec. 3. Minnesota Statutes 2024, section 45.0135, subdivision 2b, is amended to read:

Subd. 2b. **Duties.** The commissioner of commerce ~~Fraud Bureau shall~~ may:

(1) review notices and reports ~~within the Commerce Fraud Bureau's primary jurisdiction~~ submitted by authorized insurers, their employees, and agents or producers regarding insurance fraud, as defined in section 60A.951, subdivision 4;

~~(2) respond to notifications or complaints within the Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies, state or federal governmental units, or any other person;~~

~~(3)~~ (2) initiate inquiries and conduct investigations under section 45.027 when the ~~bureau~~ commissioner has reason to believe that ~~an offense within the Commerce Fraud Bureau's primary jurisdiction~~ insurance fraud, as defined in section 60A.951, subdivision 4, has been or is being committed; and

~~(4) report crimes disclosed by the Commerce Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not limited to, the attorney general, county attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist any law enforcement authority having jurisdiction.~~

(3) share active investigative data pursuant to section 13.39 concerning insurance fraud with the commissioner of public safety and the Bureau of Criminal Apprehension.

Sec. 4. Minnesota Statutes 2024, section 45.0135, is amended by adding a subdivision to read:

Subd. 2g. **Criminal insurance fraud investigations.** (a) The Bureau of Criminal Apprehension shall conduct investigations of criminal insurance fraud, as defined in section 609.611, in accordance with section 299C.061.

(b) The commissioner shall report criminal insurance fraud-related crimes disclosed by the Department of Commerce's investigations of civil insurance fraud to the Bureau of Criminal Apprehension.

Sec. 5. Minnesota Statutes 2024, section 45.0135, subdivision 6, is amended to read:

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under ~~subdivision 7~~ section 299C.061, subdivision 10, and transferred from the automobile theft prevention account in sections 65B.84, subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund is appropriated to the commissioner of ~~commerce~~ public safety for the purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 6. Minnesota Statutes 2024, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner of public safety for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding

fiscal year, as reported pursuant to section 60A.13. The commissioner of public safety shall consult with the commissioner of commerce for purposes of calculating the assessment amount. Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
Less than $100,000,000	$ 400
$100,000,000 to $1,000,000,000	$ 1,500
Over $1,000,000,000	$ 4,000
Minnesota Written Premium	**Assessment**
Less than $10,000,000	$ 400
$10,000,000 to $100,000,000	$ 1,500
Over $100,000,000	$ 4,000

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

Sec. 7. Minnesota Statutes 2024, section 45.0135, subdivision 8, is amended to read:

Subd. 8. **Investigations; health-related boards.** (a) The ~~Commerce Fraud~~ Bureau of Criminal Apprehension may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected of insurance fraud.

(b) The bureau shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

Sec. 8. Minnesota Statutes 2024, section 45.0135, subdivision 9, is amended to read:

Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

(1) impose an administrative penalty against any person in an amount as set forth in paragraph (b) for each intentional act of insurance fraud or substantiated acts of attempted insurance fraud as defined in section 60A.951, subdivision 4, committed by that person;

(2) order restitution to any person suffering loss as a result of the insurance fraud; and

(3) order restitution to a company for the reasonable documented cost of any investigation in connection with the insurance fraud.

(b) The administrative penalty for each violation described in paragraph (a) may be no more than:

(1) $20,000 if the funds or the value of the property or services wrongfully obtained exceeds $5,000;

(2) $10,000 if the funds or value of the property or services wrongfully obtained exceeds $1,000, but not more than $5,000;

(3) $3,000 if the funds or value of the property or services wrongfully obtained is more than $500, but not more than $1,000; and

(4) $1,000 if the funds or value of the property or services wrongfully obtained is $500 or less.

(c) If an administrative penalty is not paid after all rights of appeal have been waived or exhausted, the commissioner may bring a civil action in a court of competent jurisdiction to collect the administrative penalty, including expenses and litigation costs, reasonable attorney fees, and interest.

(d) This section does not affect a person's right to seek recovery, including expenses and litigation costs, reasonable attorney fees, and interest, against any person that commits insurance fraud.

(e) For purposes of this subdivision, "insurance fraud" has the meaning given in section 60A.951, subdivision 4.

(f) Hearings under this subdivision must be conducted in accordance with chapter 14 and any other applicable law.

(g) All revenues from penalties, expenses, costs, fees, and interest collected under paragraphs (a) to (c) shall be deposited ~~in~~ into the insurance fraud prevention account under ~~subdivision 6~~ section 299C.061, subdivision 9.

Sec. 9. Minnesota Statutes 2024, section 60A.951, subdivision 2, is amended to read:

Subd. 2. **Authorized person.** "Authorized person" means the county attorney, sheriff, or chief of police responsible for investigations in the county where the suspected insurance fraud occurred; the superintendent of the Bureau of Criminal Apprehension; the commissioner of commerce; ~~the Commerce Fraud Bureau;~~ the commissioner of labor and industry; the attorney general; or any duly constituted criminal investigative department or agency of the United States.

Sec. 10. Minnesota Statutes 2024, section 60A.952, subdivision 2, is amended to read:

Subd. 2. **Notice to and cooperation with the ~~Commerce Fraud~~ Bureau of Criminal Apprehension.** Any insurer or insurance professional that has reasonable belief that an act of insurance fraud will be, is being, or has been committed, shall furnish and disclose all relevant information to the ~~Commerce Fraud~~ Bureau of Criminal Apprehension or to any authorized person and cooperate fully with any investigation conducted by the ~~Commerce Fraud~~ Bureau of Criminal Apprehension. Any person that has a reasonable belief that an act of insurance fraud will be, is being, or has been committed, or any person who collects, reviews, or analyzes information concerning insurance fraud may furnish and disclose any information in its possession concerning the act to the Commerce Fraud Bureau, any authorized person, or to an authorized representative of an insurer that requests the information for the purpose of detecting, prosecuting, or preventing insurance fraud. The insurer may also release relevant information to any person authorized to receive the information under section 72A.502, subdivision 2. If disclosure is made to an authorized person other than the ~~Commerce Fraud~~ Bureau of Criminal Apprehension, a copy of the disclosure must be sent to the ~~Commerce Fraud~~ Bureau of Criminal Apprehension.

Sec. 11. Minnesota Statutes 2024, section 60A.952, subdivision 4, is amended to read:

Subd. 4. **Tolling of time periods.** If an insurer has a reasonable or probable cause to believe that an insurance fraud has been committed in connection with an insurance claim, and has properly notified the ~~Commerce Fraud~~ Bureau of Criminal Apprehension of its suspicions according to subdivision 2, the notification tolls any applicable time period in any unfair claims practices statute or related regulations, or any action on the claim against the insurer to whom the claim had been presented for bad faith, until 30 days after determination by the ~~Commerce Fraud~~ Bureau of Criminal Apprehension and notice to the insurer that the ~~division~~ Bureau of Criminal Apprehension will not recommend action on the claim.

Sec. 12. Minnesota Statutes 2024, section 60A.952, subdivision 5, is amended to read:

Subd. 5. **Reward for information.** The ~~Commerce Fraud~~ Bureau of Criminal Apprehension, in cooperation with authorized insurers and insurance professionals, may establish a voluntary fund to reward persons not connected with the insurance industry who provide information or furnish evidence leading to the arrest and conviction of persons responsible for insurance fraud.

Sec. 13. Minnesota Statutes 2024, section 60A.954, subdivision 2, is amended to read:

Subd. 2. **Review.** The commissioner may review each insurer's antifraud plan to determine whether it complies with the requirements of this section. If the commissioner finds that an insurer's antifraud plan does not comply with the requirements of this section, the commissioner shall disapprove the plan and send a notice of disapproval, along with the reasons for disapproval, to the insurer. An insurer whose antifraud plan has been disapproved by the commissioner shall submit a new plan to the commissioner within 60 days after the plan was disapproved. The commissioner may examine an insurer's procedures to determine whether the insurer is complying with its antifraud plan. The commissioner shall withhold from public inspection any part of an insurer's antifraud plan for so long as the commissioner deems the withholding to be in the public interest. The commissioner may share an insurer's complete antifraud plan with the Bureau of Criminal Apprehension.

Sec. 14. Minnesota Statutes 2024, section 60A.956, is amended to read:

60A.956 OTHER LAW ENFORCEMENT AUTHORITY.

Nothing in sections 60A.951 to 60A.956 preempts the authority of or relieves the duty of any other law enforcement agencies to investigate and prosecute alleged violations of law, prevents or prohibits a person from voluntarily disclosing any information concerning insurance fraud to any law enforcement agency other than the ~~Commerce Fraud~~ Bureau of Criminal Apprehension, or limits any of the powers granted elsewhere by the laws of this state to the commissioner of commerce to investigate alleged violations of law and to take appropriate action.

Sec. 15. Minnesota Statutes 2024, section 65B.84, is amended to read:

65B.84 AUTOMOBILE THEFT PREVENTION PROGRAM.

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of ~~commerce~~ public safety shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of ~~public safety~~ commerce, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of $1,300,000 each year to the insurance fraud prevention account described in section 297I.11, subdivision 2.

(c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9.

(d) The commissioner must establish a library of equipment to combat automobile-related theft offenses. The equipment must be available to all law enforcement agencies upon request to support law enforcement agency efforts to combat automobile theft.

Subd. 2. **Annual report.** By September 30 each year, the commissioner of public safety shall report to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over the ~~Departments~~ Department of ~~Commerce and~~ Public Safety on the activities and expenditures in the preceding year.

Subd. 3. **Grant criteria; application.** (a) A county attorney's office, law enforcement agency, neighborhood organization, community organization, or business organization may apply for a grant under this section. Multiple offices or agencies within a county may apply for a grant under this section.

(b) The commissioner of public safety, in consultation with the commissioner of ~~public safety~~ commerce, must develop criteria for the fair distribution of grants from the automobile theft prevention account that address the following factors:

(1) the number of reported automobile thefts per capita in a city, county, or region, not merely the total number of automobile thefts;

(2) the population of the jurisdiction of the applicant office or agency;

(3) the total funds distributed within a county or region; and

(4) the statewide interest in automobile theft reduction.

(c) The commissioner may give priority to:

(1) offices and agencies engaged in a collaborative effort to reduce automobile theft; and

(2) counties or regions with the greatest rates of automobile theft.

(d) The minimum amount of a grant award is $5,000. After considering the automobile theft rate and total population of an applicant's jurisdiction, if a grant award, as determined under the criteria and priorities in this subdivision, would be less than $5,000, it must not be awarded.

Subd. 4. **Advisory board; creation; membership.** An Automobile Theft Prevention Advisory Board is established to advise the commissioner on the distribution of grants under this section. The board must consist of seven members appointed by the commissioner of public safety and must include representatives of law enforcement, prosecuting agencies, automobile insurers, and the public. The commissioner must annually select a chair from among its members.

Subd. 5. **Definition.** For purposes of this section, "automobile theft" includes automobile-related theft.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether

alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; and

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 17. Minnesota Statutes 2024, section 268B.30, is amended to read:

268B.30 DATA PRIVACY.

(a) Except as provided by this section, data collected, created, or maintained under this chapter are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order.

(b) Data classified under paragraph (a) may be disseminated to and used by the following without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) the unemployment insurance division, to the extent necessary to administer the programs established under this chapter and chapter 268;

(3) employers, to the extent necessary to support adjudication of application requests and to support the employer's administration of a leave of absence;

(4) health care providers, to the extent necessary to support verification of health care conditions and qualifying events;

(5) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(6) human rights agencies within Minnesota that have enforcement powers;

(7) the Department of Revenue, to the extent necessary for its duties under Minnesota laws;

(8) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(9) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(10) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(11) the Department of Public Safety for support in identity verification;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the Department of Health for the purposes of epidemiologic investigations;

(14) the Department of Corrections for the purposes of tracking incarceration of applicants; and

(15) contracted third parties, to the extent necessary to aid in identity verification, adjudication, administration, and evaluation of the program.

(c) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(d) Data gathered by the department in the administration of this chapter must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 18. Minnesota Statutes 2024, section 297I.11, subdivision 2, is amended to read:

Subd. 2. **Automobile theft prevention account.** A special revenue account in the state treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1. Of the revenue in the account, $1,300,000 each year must be transferred to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9. Revenues in excess of $1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

Sec. 19. **[299C.061] FINANCIAL CRIMES AND FRAUD SECTION.**

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

(b) "Fraud involving state funded or administered programs or services" includes any violation of section 609.445, 609.465, 609.466, 609.52, 609.5523, 609.611, 609.651, 609.7475, or 609.821 involving a state agency or state funded or administered program or service.

(c) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(d) "State agency" has the meaning given in section 13.02, subdivision 17.

(e) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

(f) "Section" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

Subd. 2. **Financial Crimes and Fraud Section.** The superintendent shall operate the Financial Crimes and Fraud Section within the Bureau of Criminal Apprehension to conduct investigations into insurance fraud, financial crimes, wage theft, and fraud involving state funded or administered programs or services. The Section shall be partially or fully comprised of licensed peace officers. Members of this section have the full authorities specified in chapter 299C and are not limited to the duties enumerated in this section.

Subd. 3. **Duties.** The Financial Crimes and Fraud Section shall:

(1) review notices and reports of insurance fraud and related crimes submitted by authorized insurers, their employees, and agents or producers pursuant to sections 60A.951 to 60A.956;

(2) initiate inquiries and conduct investigations when the Section has reason to believe that any of the following offenses have been or are being committed:

(i) fraud involving state funded or administered programs or services in subdivision 1, paragraph (b);

(ii) insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611 and support of those activities;

(iii) wage theft and related crimes; and

(iv) any other financial crimes; and

(3) operate the automobile theft prevention program under section 65B.84.

Subd. 4. **Mandatory referral; duty to investigate.** (a) Except as provided in paragraphs (b) and (d), a state agency shall refer all suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), equaling $100,000 or more, to the Section for evaluation and investigation or appropriate referral. Upon receipt of the referral, the Section shall review and, where appropriate, conduct criminal investigations into the allegations. The Section has sole discretion as to which allegations are investigated further, referred back to the reporting agency for appropriate regulatory investigation, or referred to another law enforcement agency with appropriate jurisdiction.

(b) When acting in a civil or criminal law enforcement capacity and permitted by applicable law or order, the attorney general may, in the attorney general's discretion, refer suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), to the Section for evaluation and investigation or appropriate referral in accordance with paragraph (a).

(c) Notwithstanding paragraph (b), this section has no effect on the authority of the attorney general to investigate and enforce violations or suspected violations of Minnesota civil or criminal law.

(d) Referral to the Section under this subdivision is not required when a state agency is required to refer the fraudulent activity to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10.

Subd. 5. **Discretionary referral.** (a) A state agency may refer suspected fraud involving state funded or administered programs or services equaling less than $100,000 to the Section for investigation. Upon referral, the Section shall:

(1) accept the referral and, where appropriate, conduct criminal investigations into the allegations and make appropriate referrals for criminal prosecution; or

(2) redirect the referral to another appropriate law enforcement agency or civil investigative authority, offering assistance where appropriate.

Subd. 6. **Data sharing authorized.** Notwithstanding chapter 13 or any other statute related to the classification of government data to the contrary, state agencies making a referral under subdivision 4 or 5 shall provide data related to the suspected fraudulent activity to the Section, including data classified as not public. The Section may share active criminal investigative data concerning insurance fraud with the Department of Commerce.

Subd. 7. **State agency reporting.** By January 15 of each year, each state agency must report all suspected fraud incurred by the agency that involves state funded or administered programs or services equaling $10,000 or more to the Section to be summarized in the report under subdivision 8. This subdivision does not apply to information obtained by the attorney general when acting in a civil or criminal law enforcement capacity.

Subd. 8. **Annual report.** (a) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance, and commerce consumer protection policy and finance, the following information pertaining to the Section since the previous report:

(1) the number of investigations initiated;

(2) the number of allegations investigated;

(3) the outcomes or current status of each investigation;

(4) the charging decisions made by the prosecuting authority of incidents investigated by the Section;

(5) the number of plea agreements reached in incidents investigated by the Section;

(6) the number of reports received under subdivision 7;

(7) the number of state agency referrals to the state Medicaid Fraud Control Unit reported to the superintendent under paragraph (b); and

(8) any other information relevant to the Section's responsibilities.

(b) No later than January 15 of each odd-numbered year, each state agency that is required to make referrals to the state Medicaid Fraud Control Unit in accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10, shall report the following information to the superintendent for the two previous calendar years:

(1) the number of cases referred to the state Medicaid Fraud Control Unit;

(2) the number of referrals accepted by the state Medicaid Fraud Control Unit; and

(3) the number of referrals declined by the state Medicaid Fraud Control Unit.

Subd. 9. **Funding allocation.** One hundred percent of the funding allocated to the Bureau of Criminal Apprehension for the assessment in subdivision 10 may only be used for the investigation of insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities.

EFFECTIVE DATE. (a) Subdivisions 1, 2, 3, 6, and 9 are effective July 1, 2025.

(b) Subdivisions 4, 5, 7, and 8 are effective January 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 299C.40, subdivision 1, is amended to read:

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

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Enforcement Division of the Department of Natural Resources, ~~the Commerce Fraud Bureau,~~ the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 21. Minnesota Statutes 2024, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given ~~them~~.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, ~~the Department of Commerce Fraud Bureau,~~ the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District Department of Public Safety, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.2335; 609.24; 609.245; 609.247; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.343, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.344, subdivision 1, or subdivision

1a, clauses (a) to (e), (h), or (i); 609.345, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), and (i); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

(i) "Asserting person" means a person, other than the driver alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

Sec. 22. Minnesota Statutes 2024, section 626.05, subdivision 2, is amended to read:

Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer, agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and Gambling Enforcement, ~~peace officer of the Commerce Fraud Bureau,~~ University of Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of Corrections Fugitive Apprehension Unit member, State Patrol trooper as authorized by section 299D.03, or railroad peace officer as authorized by section 219.995 and United States Code, title 49, section 28101.

Sec. 23. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given ~~them~~:

(a) "Board" means the Board of Peace Officer Standards and Training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means:

(1) an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police officers, Department of Corrections Fugitive Apprehension Unit officers, ~~Department of Commerce Fraud Bureau Unit officers,~~ the statewide coordinator of the Violent Crime Coordinating Council, and railroad peace officers as authorized by section 219.995 and United States Code, title 49, section 28101; and

(2) a peace officer who is employed by a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is licensed by the board.

(d) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(e) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance, and shall include reserve deputies, special deputies, mounted or unmounted patrols, and all other employees or volunteers performing reserve officer functions. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(f) "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state;

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e); and

(3) subject to the limitation of section 219.995, a railroad company.

(g) "Professional peace officer education" means a postsecondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

(h) "Railroad peace officer" means an individual as authorized under United States Code, title 49, section 28101:

(1) employed by a railroad for the purpose of aiding and supplementing law enforcement agencies in the protection of property owned by or in the care, custody, or control of a railroad and to protect the persons and property of railroad passengers and employees; and

(2) licensed by the board.

Sec. 24. **REVISOR INSTRUCTION.**

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

Column A	Column B
45.0135, subdivision 6	299C.061, subdivision 9
45.0135, subdivision 7	299C.061, subdivision 10

45.0135, subdivision 8
45.0135, subdivision 9
299C.061, subdivision 9
299C.061, subdivision 11
299C.061, subdivision 12
299C.061, subdivision 13

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, and 5; and 325E.21, subdivision 2b, are repealed.

ARTICLE 4

CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 2024, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more, or 100 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses:

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or~~

~~more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 2. Minnesota Statutes 2024, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more, or 50 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses:

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 3. Minnesota Statutes 2024, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of: (i) a total weight of three grams or more containing heroin; or (ii) a total weight of five grams or more, or 25 dosage units or more, containing fentanyl;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug other than heroin or fentanyl, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses:

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, ~~the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid~~ a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 4. Minnesota Statutes 2024, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** (a) A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or a residual amount of one or more mixtures of controlled substances contained in drug paraphernalia; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

(b) For the purposes of this subdivision, a mixture does not include the fluid used in a water pipe or any amount of a controlled substance that is dissolved in the pipe's fluid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2023.

Sec. 5. Minnesota Statutes 2024, section 152.137, subdivision 2, is amended to read:

Subd. 2. **Prohibited conduct.** (a) No person may knowingly engage in any of the following activities in the presence of a child or vulnerable adult; in the residence of a child or a vulnerable adult; in a building, structure, conveyance, or outdoor location where a child or vulnerable adult might reasonably be expected to be present; in a room offered to the public for overnight accommodation; or in any multiple unit residential building:

(1) manufacturing or attempting to manufacture methamphetamine;

(2) storing any chemical substance;

(3) storing any methamphetamine waste products; or

(4) storing any methamphetamine paraphernalia.

(b) No person may knowingly cause or permit a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest methamphetamine, a chemical substance, or methamphetamine paraphernalia.

(c) No person may knowingly cause or permit a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest fentanyl.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2024, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3, paragraph (b); or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (h);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of Minnesota Statutes 2020, section 609.2325, subdivision 1, paragraph (b);

(ii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

(iii) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

(iv) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

(v) using a minor in a sexual performance in violation of section 617.246; ~~or~~

(vi) possessing or disseminating a pornographic work involving a minor in violation of section 617.247;

(vii) possession of a child-like sex doll in violation of section 617.248; or

(viii) creation of child-like sex dolls in violation of section 617.249;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to an offense or involving similar circumstances to an offense described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state similar to an offense or involving similar circumstances to an offense described in paragraph (a), clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

Sec. 7. Minnesota Statutes 2024, section 609.05, subdivision 2a, is amended to read:

Subd. 2a. **Exception.** (a) A person may not be held criminally liable for a violation of section 609.185, paragraph (a), clause (3), for a death caused by another unless the person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other with the intent to cause the death of a human being.

(b) A person may not be held criminally liable for a violation of section 609.185, paragraph (a), clause (1), for a death of a human being caused by another unless the person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other with premeditation and with intent to cause the death of a human being.

(c) A person may not be held criminally liable for a violation of section 609.19, subdivision 1, for a death of a human being caused by another unless the person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other with the intent to cause the death of a human being.

~~(b)~~ (d) A person may not be held criminally liable for a violation of section 609.19, subdivision 2, clause (1), for a death caused by another unless the person was a major participant in the underlying felony and acted with extreme indifference to human life.

~~(c)~~ (e) As used in this subdivision, "major participant" means a person who:

(1) used a deadly weapon during the commission of the underlying felony or provided a deadly weapon to another participant where it was reasonably foreseeable that the weapon would be used in the underlying felony;

(2) caused substantial bodily harm to another during the commission of the underlying felony;

(3) coerced or hired a participant to undertake actions in furtherance of the underlying felony that proximately caused the death, and where it was reasonably foreseeable that such actions would cause death or great bodily harm; or

(4) impeded another person from preventing the death either by physical action or by threat of physical action where it was reasonably foreseeable that death or great bodily harm would result.

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

Sec. 8. Minnesota Statutes 2024, section 609.185, is amended to read:

609.185 MURDER IN THE FIRST DEGREE.

(a) Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit a felony-level violation of any of the following offenses: burglary, aggravated robbery, carjacking in the first or second degree, kidnapping, arson in the first or second degree, a drive-by shooting, tampering with a witness in the first degree, or escape from custody~~,~~; or ~~any felony~~ a felony-level violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer, prosecuting attorney, judge, or a guard employed at a Minnesota state or local correctional facility, with intent to effect the death of that person or another, while the person is engaged in the performance of official duties;

(5) causes the death of a minor while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon a child and the death occurs under circumstances manifesting an extreme indifference to human life;

(6) causes the death of a human being while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim or upon another family or household member and the death occurs under circumstances manifesting an extreme indifference to human life; or

(7) causes the death of a human being while committing, conspiring to commit, or attempting to commit a felony crime to further terrorism and the death occurs under circumstances manifesting an extreme indifference to human life.

(b) For the purposes of paragraph (a), clause (4), "prosecuting attorney" has the meaning given in section 609.221, subdivision 6, clause (4).

(c) For the purposes of paragraph (a), clause (4), "judge" has the meaning given in section 609.221, subdivision 6, clause (5).

(d) For purposes of paragraph (a), clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of the following laws of this state or any similar laws of the United States or any other state: section 609.221; 609.222; 609.223; 609.224; 609.2242; 609.342; 609.343; 609.344; 609.345; 609.377; 609.378; or 609.713.

(e) For purposes of paragraph (a), clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.342, 609.343, 609.344, 609.345, 609.713, or any similar laws of the United States or any other state; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

(f) For purposes of paragraph (a), clause (7), "further terrorism" has the meaning given in section 609.714, subdivision 1.

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

Sec. 9. Minnesota Statutes 2024, section 609.19, subdivision 1, is amended to read:

Subdivision 1. **Intentional murder~~; drive-by shootings~~.** Whoever ~~does either of the following~~ causes the death of a human being with intent to effect the death of that person or another, but without premeditation, is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years~~:~~.

~~(1) causes the death of a human being with intent to effect the death of that person or another, but without premeditation; or~~

~~(2) causes the death of a human being while committing or attempting to commit a drive-by shooting in violation of section 609.66, subdivision 1e, under circumstances other than those described in section 609.185, paragraph (a), clause (3).~~

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

Sec. 10. Minnesota Statutes 2024, section 609.19, subdivision 2, is amended to read:

Subd. 2. **Unintentional murders.** Whoever does either of the following is guilty of unintentional murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a ~~felony offense other than criminal sexual conduct in the first or second degree with force or violence or a drive-by shooting~~ felony-level violation of any of the following offenses: burglary, aggravated robbery, carjacking in the first or second degree, kidnapping, arson in the first or second degree, drive-by shooting, tampering with a witness in the first degree, escape from custody, malicious punishment of a child, domestic assault, domestic assault by strangulation, or a crime to further terrorism; or a felony-level violation of chapter 152 involving the unlawful sale of a controlled substance; or

(2) causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection and the victim is a person designated to receive protection under the order. As used in this clause, "order for protection" includes an order for protection issued under chapter 518B; a harassment restraining order issued under section 609.748; a court order setting conditions of pretrial release or conditions of a criminal sentence or juvenile court disposition; a restraining order issued in a marriage dissolution action; and any order issued by a court of another state or of the United States that is similar to any of these orders.

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

Sec. 11. Minnesota Statutes 2024, section 609.19, is amended by adding a subdivision to read:

Subd. 3. **Exception.** A person shall not be held liable for a violation of subdivision 2, clause (1), unless their acts present a special danger to human life based on the circumstances under which the predicate felony was committed.

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

Sec. 12. Minnesota Statutes 2024, section 609.2231, subdivision 2, is amended to read:

Subd. 2. **Firefighters and emergency medical personnel.** (a) Except as provided in paragraph (b), whoever physically assaults any of the following persons ~~and inflicts demonstrable bodily harm~~ is guilty of a ~~felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both~~ gross misdemeanor:

(1) either:

(i) a member of a municipal or volunteer fire department in the performance of the member's duties; or

(ii) a member of an emergency medical services personnel unit in the performance of the member's duties; or

(2) a physician, nurse, or other person providing health care services in a hospital emergency department.

(b) Whoever physically assaults a person described in paragraph (a), is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $6,000, or both, if the assault inflicts demonstrable bodily harm.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 13. **[609.2285] FENTANYL ADULTERATED SUBSTANCES.**

Subdivision 1. **Crime.** (a) A person who knowingly adulterates or alters a controlled substance or drug with fentanyl or substitutes a controlled substance or drug with fentanyl is guilty of a felony.

(b) A person who knowingly adulterates or alters any package or receptacle containing any controlled substance by replacing the controlled substance or drug in the package or receptacle with fentanyl or a controlled substance or drug containing fentanyl or substitutes any package or receptacle containing any controlled substance or drug with another package or receptacle containing fentanyl is guilty of a felony.

(c) Paragraphs (a) and (b) do not apply to manufacturers, practitioners, pharmacists, owners of pharmacies, nurses, and other persons when the manufacturer, practitioner, pharmacist, owner of a pharmacy, nurse, or other person is acting in a professional capacity.

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

(b) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(c) "Drug" has the meaning given in section 152.01, subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2024, section 609.27, subdivision 2, is amended to read:

Subd. 2. **Sentence.** (a) Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both if neither the pecuniary gain received by the violator nor the loss suffered by the person threatened or another as a result of the threat exceeds $300, or the benefits received or harm sustained are not susceptible of pecuniary measurement; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if such pecuniary gain or loss is more than $300 but less than $2,500; or

(3) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if such pecuniary gain or loss is $2,500, or more.

(b) A person who violates subdivision 1, clause (6), may be sentenced as provided in paragraph (a). If the violation is the proximate cause of the victim suffering great bodily harm or death, the person is guilty of a felony and may be sentenced to imprisonment for not more than 15 years, or to payment of a fine of not more than $30,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2024, section 609.378, is amended by adding a subdivision to read:

Subd. 3. **Exception.** A person may not be charged with or convicted of a violation of this section for acts committed while pregnant and before the birth of the person's child or children, including but not limited to the use of drugs, prescribed or otherwise; experiencing abuse; exposure to or being a victim of domestic or other violence; or failing to maintain optimal physical health.

Sec. 16. Minnesota Statutes 2024, section 609.50, subdivision 1, is amended to read:

Subdivision 1. **Crime.** (a) Whoever intentionally does any of the following may be sentenced as provided in subdivision 2:

(1) obstructs, hinders, or prevents the lawful execution of any legal process, civil or criminal, or apprehension of another on a charge or conviction of a criminal offense;

(2) obstructs, resists, or interferes with a peace officer while the officer is engaged in the performance of official duties;

(3) interferes with or obstructs a firefighter while the firefighter is engaged in the performance of official duties;

(4) interferes with or obstructs a member of an ambulance service personnel crew, as defined in section 144E.001, subdivision 3a, who is providing, or attempting to provide, emergency care; or

(5) by force or threat of force endeavors to obstruct any employee of the Department of Revenue, Department of Public Safety Driver and Vehicle Services Division, a driver's license agent appointed under section 171.061, or a deputy registrar appointed under section 168.33 while the employee is lawfully engaged in the performance of official duties for the purpose of deterring or interfering with the performance of those duties.

(b) It is a crime punishable as provided in subdivision 2 for someone to approach or remain within 25 feet of a person described in paragraph (a), clause (2), (3), or (4):

(1) while knowing or having reason to know of the person's status and that the person is engaged in the lawful performance of a legal duty;

(2) after having received a verbal warning from the person not to approach; and

(3) with the intent to impede or interfere with the person's ability to perform the legal duty.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 17. **[609.5523] THEFT OF PUBLIC FUNDS.**

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

(b) "Public funds" means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity.

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

Subd. 2. **Acts constituting theft of public funds.** Whoever does any of the following commits theft of public funds and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals, or retains possession of public funds of a government entity or a third party administering a program funded by public vendors without consent and with intent to deprive the government entity permanently of possession of public funds;

(2) obtains for the actor or another the possession or custody of public funds from a government entity or a third party administering a program funded by public funds by intentionally deceiving the government entity or third party with a false representation which is known to be false, is made with intent to defraud, and does defraud the government entity or third party to whom it is made. False representation includes without limitation:

(i) 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

(ii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report which intentionally and falsely states the costs of or actual services provided by a vendor; or

(3) by swindling, whether by artifice, trick, device, or any other means, obtains public funds or services funded by public funds from a government entity or a third party administering a program funded by public funds.

Subd. 3. **Sentence.** (a) Whoever commits theft of public funds may be sentenced as follows:

(1) to imprisonment for not more than 24 years or to payment of a fine of not more than $100,000, or both, if the value of the property stolen is more than $35,000;

(2) to imprisonment for not more than 12 years or to payment of a fine of not more than $20,000, or both, if the value of the property stolen exceeds $5,000; or

(3) to imprisonment for not more than six years or to payment of a fine of not more than $10,000, or both, if the value of the property stolen is more than $1,000 but not more than $5,000.

(b) In any prosecution for theft of public funds, the value of the money or property received by the defendant in violation of any of these provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2024, section 609.593, subdivision 1, is amended to read:

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage to or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected to the line, or any wire, cable, or current of the line; or any component used in the generation, transmission, or distribution of electricity, including equipment used for grounding, system protection, or personnel protection;

(2) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part of the pipe, main, or pipeline, or any valve, meter, holder, compressor, machinery, appurtenance, equipment, or apparatus connected with any main or pipeline; or

(3) any machinery, equipment, or fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, broadband services, cable services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2024, section 609.78, subdivision 2c, is amended to read:

Subd. 2c. **Felony offense; reporting fictitious emergency resulting in response to the home of certain officials.** Whoever violates subdivision 2, clause (2), is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $5,000, or both, if the person places the call with the intent of prompting an emergency response to the home of:

(1) an elected official;

(2) a judge as defined in section 609.221, subdivision 6, clause (5);

(3) a prosecuting attorney as defined in section 609.221, subdivision 6, clause (4);

(4) ~~an employee of a correctional facility as defined in section 241.021, subdivision 1i~~ a correctional employee of the state or a local political subdivision; or

(5) a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2024, section 617.246, subdivision 1, is amended to read:

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

(b) "Minor" means any person under the age of 18.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction that uses a minor to depict actual or simulated sexual conduct as defined by clause (e).

(e) "Sexual conduct" means any of the following:

(1) an act of sexual intercourse, normal or perverted, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a person who is nude or clad in undergarments or in a revealing costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed;

(3) masturbation;

(4) lewd exhibitions of the genitals; or

(5) physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(f) "Pornographic work" means:

(1) an original or reproduction of a picture, film, photograph, negative, slide, videotape, videodisc, or drawing of a sexual performance involving a minor; or

(2) any visual depiction, including any photograph, film, video, picture, drawing, negative, slide, or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means that:

(i) uses a minor to depict actual or simulated sexual conduct;

(ii) has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct; ~~or~~

(iii) is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexual conduct.; or

(iv) depicts an individual indistinguishable from an actual minor created by the use of generative artificial intelligence or other computer technology capable of processing and interpreting specific data inputs, commonly referred to as prompts, to create a visual depiction of the individual engaging in sexual conduct.

For the purposes of this paragraph, an identifiable minor is a person who was a minor at the time the depiction was created or altered, whose image is used to create the visual depiction.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 21. **[617.2471] IMMUNITY.**

No civil or criminal liability for a violation of section 617.246 or 617.247 that involves a pornographic work as defined solely in section 617.246, subdivision 1, paragraph (f), clause (2), item (iv), may be imposed on an interactive computer service, as defined in United States Code, title 47, section 230, or a provider of an information service or telecommunications service, as defined in United States Code, title 47, section 153, or an employee of the service or provider acting in the course and scope of employment:

(1) for actions taken to prevent, detect, protect against, report, or respond to the production, generation, incorporation, or synthesization of the work; or

(2) for content provided by another person.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to acts committed on or after that date.

Sec. 22. **[617.248] POSSESSION OF A CHILD-LIKE SEX DOLL.**

Subdivision 1. **Definition.** "Child-like sex doll" means an anatomically correct doll, mannequin, or robot, with features that are intended to depict or resemble a minor and is intended for use in sex acts.

Subd. 2. **Dissemination prohibited.** (a) A person who knowingly, or with reason to know, disseminates a child-like sex doll to an adult or a minor, is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $10,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246 or 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a child-like sex doll depicting a minor under the age of 14 years.

Subd. 3. **Possession prohibited.** (a) A person who knowingly, or with reason to know, possesses a child-like sex doll is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $5,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246 or 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a child-like sex doll depicting a minor under the age of 14 years.

Subd. 4. **Exception.** This section does not apply to the performance of official duties by peace officers, court personnel, or attorneys, nor to licensed physicians, psychologists, or social workers or persons acting at the direction of a licensed physician, psychologist, or social worker in the course of a bona fide treatment or professional education program.

Subd. 5. **Second offense.** If a person is convicted of a second or subsequent violation of this section within 15 years of the prior conviction, the court shall order a mental examination of the person. The examiner shall report to the court whether treatment of the person is necessary.

Subd. 6. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, 617.246, 617.247, or 617.249, or any similar statute of the United States, this state, or any other state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 23. **[617.249] CREATION OF CHILD-LIKE SEX DOLLS PROHIBITED.**

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

(b) "Child-like sex doll" has the meaning given in section 617.248.

(c) "Minor" means any person under the age of 18.

(d) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use, or permit a minor to engage in or assist others to engage minors in the modeling for the creation of a child-like sex doll if the person knows or has reason to know that the conduct intended is to create a child-like sex doll.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both.

(c) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246, 617.247, or 617.248;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 3. **Operation or ownership of business.** (a) It is unlawful for a person who owns or operates a business to intentionally disseminate or reproduce a child-like sex doll where a minor was used or employed in the modeling for the creation of the child-like sex doll.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both.

(c) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246, 617.247, or 617.248;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 4. **Dissemination.** (a) A person who intentionally disseminates for profit to an adult or a minor a child-like sex doll that used or employed a minor in the modeling for the creation of the child-like sex doll is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246, 617.247, or 617.248;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 5. **Consent; mistake.** Neither consent to the modeling for the creation of a child-like sex doll by a minor or the minor's parent, guardian, or custodian nor mistake as to the minor's age is a defense to a charge of violation of this section.

Subd. 6. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, 617.246, 617.247, or 617.248, or any similar statute of the United States, this state, or any other state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 24. **LIABILITY FOR MURDER COMMITTED BY ANOTHER; RETROACTIVE APPLICATION.**

Subdivision 1. **Purpose.** Any person convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), under the theory of liability for crimes of another and who is in the custody of the commissioner of corrections or under court supervision is entitled to petition to have the person's conviction vacated pursuant to this section.

Subd. 2. **Notification.** (a) By September 1, 2026, the commissioner of corrections shall notify individuals convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), of the right to file a preliminary application for relief if the person was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), and the person:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with premeditation or the intent to cause the death of a human being.

(b) The notice shall include the address of the court administration of the judicial district of conviction.

(c) The commissioner of corrections may coordinate with the judicial branch to establish a standardized notification form.

Subd. 3. **Preliminary application.** (a) An applicant shall submit a preliminary application to the court administration of the judicial district in which the conviction took place. The preliminary application must contain:

(1) the applicant's name and, if different, the name under which the person was convicted;

(2) the applicant's date of birth;

(3) the district court case number of the case for which the person is seeking relief;

(4) a statement as to whether the applicant was convicted following a trial or pursuant to a plea;

(5) a statement as to whether the person filed a direct appeal from the conviction, a petition for postconviction relief, or both;

(6) a brief statement, not to exceed 3,000 words, explaining why the applicant is entitled to relief under this section from a conviction for the death of a human being caused by another; and

(7) the name and address of any attorney representing the applicant.

(b) The preliminary application may contain:

(1) the name, date of birth, and district court case number of any other person charged with, or convicted of, a crime arising from the same set of circumstances for which the applicant was convicted; and

(2) a copy of a criminal complaint or indictment, or the relevant portions of a presentence investigation or life imprisonment report, describing the facts of the case for which the applicant was convicted.

(c) The judicial branch may establish a standardized preliminary application form, but shall not reject a preliminary application for failure to use a standardized form.

(d) Any person seeking relief under this section must submit a preliminary application no later than October 1, 2027. Submission is complete upon mailing.

(e) Submission of a preliminary application shall be without costs or any fees charged to the applicant.

Subd. 4. **Review of preliminary application.** (a) Upon receipt of a preliminary application, the chief judge of the judicial district in which the conviction took place shall promptly assign the matter to a judge in that district.

(b) Within 90 days of receiving the preliminary application, the reviewing judge shall determine whether, in the discretion of that judge, there is a reasonable probability that the application is entitled to relief under this section.

(c) In making the determination under paragraph (b), the reviewing judge shall consider the preliminary application and any materials submitted with the preliminary application and may consider relevant records in the possession of the judicial branch.

(d) The court may summarily deny an application when:

(1) the application does not contain the information required under subdivision 3, paragraph (a);

(2) the applicant is not in the custody of the commissioner of corrections or under court supervision;

(3) the applicant was not convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), for crimes committed before August 1, 2025; or

(4) the issues raised in the application are not relevant to the relief available under this section or have previously been decided by the court of appeals or the supreme court in the same case.

(e) The court may also summarily deny an application if the applicant has filed a second or successive preliminary application, any prior application was denied for a reason other than that it did not contain the information required under subdivision 3, paragraph (a), and:

(1) the reviewing judge previously determined that there was a reasonable probability that the applicant was entitled to relief, but a court determined that the petitioner did not qualify for relief under subdivision 6;

(2) a previous application was submitted by an attorney representing the applicant; or

(3) the reviewing judge previously determined that there was not a reasonable probability that the applicant is entitled to relief, the second or successive preliminary application does not contain any additional information described in subdivision 3, paragraph (b), and the second or successive preliminary application was submitted by someone other than an attorney representing the applicant.

(f) If the reviewing judge determines that there is a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any, and the prosecutorial office responsible for prosecuting the applicant. In the event the applicant is without counsel, the reviewing judge shall send notice to the state public defender and shall advise the applicant of the referral.

(g) If the reviewing judge determines that there is not a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any. The notice must contain a brief statement explaining the reasons the reviewing judge concluded that there is not a reasonable probability that the applicant is entitled to relief.

Subd. 5. **Petition for relief; hearing.** (a) Unless extended for good cause, within 60 days of filing of the notice sent pursuant to subdivision 4, paragraph (f), the individual seeking relief shall file and serve a petition to vacate the conviction. The petition must be filed in the district court of the judicial district in the county where the conviction took place and must contain the information identified in subdivision 3, paragraph (a), and a statement of why the petitioner is entitled to relief.

The petition may contain any other relevant information, including police reports, trial transcripts, and plea transcripts involving the petitioner or any other person investigated for, charged with, or convicted of a crime arising out of the same set of circumstances for which the petitioner was convicted. The filing of the petition and any document subsequent thereto and all proceedings thereon shall be without costs or any fees charged to the petitioner.

(b) Upon filing of the petition, the prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the underlying offense that a petition has been filed.

(c) A county attorney representing the prosecutorial office shall respond to the petition by answer or motion within 45 days after the filing of the petition pursuant to paragraph (a) unless extended for good cause. The response shall be filed with the court administrator of the district court and served on the petitioner if unrepresented or on the petitioner's attorney. The response may serve notice of the intent to support the petition or include a statement explaining why the petitioner is not entitled to relief along with any supporting documents. The filing of the response and any document subsequent thereto and all proceedings thereon shall be without costs or any fees charged to the county attorney.

(d) The petitioner may file a reply to the response filed by the county attorney within 15 days after the response is filed, unless extended for good cause.

(e) Within 30 days of the filing of the reply from the petitioner or, if no reply is filed, within 30 days of the filing of the response from the county attorney, the court shall:

(1) issue an order and schedule the matter for sentencing or resentencing pursuant to subdivision 6 if the county attorney indicates an intent to support the petition;

(2) issue an order denying the petition if additional information or submissions establish that there is not a reasonable probability that the applicant is entitled to relief under this section and include a memorandum identifying the additional information or submissions and explaining the reasons why the court concluded that there is not a reasonable probability that the applicant is entitled to relief; or

(3) schedule the matter for a hearing and issue any appropriate order regarding submission of evidence or identification of witnesses.

(f) The hearing shall be held in open court and conducted pursuant to Minnesota Statutes, section 590.04, except that the petitioner must be present at the hearing, unless excused under Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3). The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing.

Subd. 6. **Determination; order; resentencing.** (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with premeditation or the intent to cause the death of a human being.

(b) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition. If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (1), and:

(1) resentence the petitioner for a remaining offense for which the petitioner was convicted; or

(2) enter a conviction and impose a sentence for any lesser included offenses as described in Minnesota Statutes, section 631.14.

(c) If the court intends to enter a conviction and impose a sentence for a lesser included offense, the court must hold a hearing to determine the appropriate offense.

(d) If, pursuant to paragraph (b), the court either resentences a petitioner or imposes a sentence, the court shall also resentence the petitioner for any other offense if the sentence was announced by a district court of the same county, the sentence was either ordered to be served consecutively to the vacated conviction or the criminal history calculation for that sentence included the vacated sentence, and the changes made pursuant to paragraph (b) would have resulted in a different criminal history score being used at the time of sentencing.

(e) The court shall state in writing or on the record the reasons for its decision on the petition.

(f) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision shall not increase the petitioner's total period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. The court may increase the period of confinement for a sentence that was ordered to be served consecutively to the vacated conviction based on a change in the appropriate criminal history score, provided the court does not increase the petitioner's total period of confinement. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(g) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

(h) If the court enters a conviction under this subdivision, the court shall ensure that the date of the conviction being entered is the same as that of the original conviction.

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

ARTICLE 5

PUBLIC SAFETY PROVISIONS

Section 1. Minnesota Statutes 2024, section 13.03, subdivision 6, is amended to read:

Subd. 6. **Discoverability of not public data.** If a government entity opposes discovery of government data or release of data pursuant to court order on the grounds that the data are classified

as not public, the party that seeks access to the data may bring before the appropriate presiding judicial officer, arbitrator, or administrative law judge an action to compel discovery or an action in the nature of an action to compel discovery.

The presiding officer shall first decide whether the data are discoverable or releasable pursuant to the rules of evidence and of criminal, civil, or administrative procedure appropriate to the action.

If the data are discoverable the presiding officer shall decide whether the benefit to the party seeking access to the data outweighs any harm to the confidentiality interests of the entity maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of an individual identified in the data. In making the decision, the presiding officer shall consider whether notice to the subject of the data is warranted and, if warranted, what type of notice must be given. The presiding officer may fashion and issue any protective orders necessary to assure proper handling of the data by the parties. If the data are a ~~videotape~~ recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse, the presiding officer shall consider the provisions of section 611A.90, subdivision 2, paragraph (b). If the data are data subject to the protections under chapter 5B or section 13.045, the presiding officer shall consider the provisions of section 5B.11.

Sec. 2. Minnesota Statutes 2024, section 13.821, is amended to read:

13.821 ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

(a) Notwithstanding section 13.04, subdivision 3, an individual subject of data may not obtain a copy of a ~~videotape~~ recording in which a child victim or alleged victim is alleging, explaining, denying, or describing an act of physical or sexual abuse without a court order under section 13.03, subdivision 6, or 611A.90. The definitions of physical abuse and sexual abuse in section 260E.03, apply to this section, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

(b) This section does not limit other rights of access to data by an individual under section 13.04, subdivision 3, other than the right to obtain a copy of the ~~videotape~~ recording, nor prohibit rights of access pursuant to discovery in a court proceeding.

Sec. 3. Minnesota Statutes 2024, section 144.296, is amended to read:

144.296 COPIES OF ~~VIDEOTAPES~~ RECORDINGS.

A provider may not release a copy of a ~~videotape~~ recording of a child victim or alleged victim of physical or sexual abuse without a court order under section 13.03, subdivision 6, or as provided in section 611A.90. This section does not limit the right of a patient to view or listen to the ~~videotape~~ recording.

Sec. 4. Minnesota Statutes 2024, section 145.4718, is amended to read:

145.4718 PROGRAM EVALUATION.

(a) The director of child sex trafficking prevention established under section 145.4716 must conduct, or contract for, comprehensive evaluation of the statewide program for safe harbor for

sexually exploited youth. The ~~first evaluation must be completed by June 30, 2015, and must be submitted~~ director must submit an updated evaluation to the commissioner of health and to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over health and public safety by September 1~~, 2015, and every two years thereafter~~ of each odd-numbered year. The evaluation must consider whether the program is reaching intended victims and whether support services are available, accessible, and adequate for sexually exploited youth, as defined in section 260C.007, subdivision 31.

(b) In conducting the evaluation, the director of child sex trafficking prevention must consider evaluation of outcomes, including whether the program increases identification of sexually exploited youth, coordination of investigations, access to services and housing available for sexually exploited youth, and improved effectiveness of services. The evaluation must also include examination of the ways in which penalties under section 609.3241 are assessed, collected, and distributed to ensure funding for investigation, prosecution, and victim services to combat sexual exploitation of youth.

Sec. 5. Minnesota Statutes 2024, section 246B.04, subdivision 2, is amended to read:

Subd. 2. **Ban on obscene material or ~~pornographic work~~ child sexual abuse material.** The executive board shall prohibit persons civilly committed as sexual psychopathic personalities or sexually dangerous persons under chapter 253D from having or receiving material that is obscene as defined under section 617.241, subdivision 1, material that depicts sexual conduct as defined under section 617.241, subdivision 1, or ~~pornographic work~~ child sexual abuse material as defined under section 617.246, subdivision 1, while receiving services in any secure treatment facilities operated by the Minnesota Sex Offender Program or any other facilities operated by the executive board.

Sec. 6. Minnesota Statutes 2024, section 299A.477, subdivision 2, is amended to read:

Subd. 2. **Program established.** The commissioner of public safety shall award a grant to the Minnesota Firefighter Initiative to administer a hometown heroes assistance program for Minnesota firefighters. The Minnesota Firefighter Initiative shall use the grant funds:

(1) to establish and fund critical illness coverage that provides monetary support payments to each firefighter who is diagnosed with a critical illness on or after August 1, 2021, and who applies for the payment. Monetary support shall be provided according to the requirements in subdivision 3;

(2) to develop a psychotherapy program customized to address emotional trauma experienced by firefighters, which includes providing peer-to-peer support, and to offer all firefighters in the state up to five psychotherapy sessions per year under the customized program, provided by mental health professionals;

(3) to coordinate additional psychotherapy sessions to firefighters who need them;

(4) to develop, ~~annually~~ update, and annually ~~provide~~ make available to all firefighters in the state at least two hours of training on critical illnesses, such as cancer and heart disease, and emotional trauma as causes of illness and death for firefighters; steps and best practices for firefighters to limit the occupational risks of cancer, heart disease, and emotional trauma; provide evidence-based suicide prevention strategies; and ways for firefighters to address occupation-related emotional trauma and

promote emotional wellness. The training shall be presented by firefighters who attend an additional course to prepare them to serve as trainers; and

(5) for administrative and overhead costs of the Minnesota Firefighter Initiative associated with conducting the activities in clauses (1) to (4).

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

Sec. 7. Minnesota Statutes 2024, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.565, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

(b) "DNA" means deoxyribonucleic acid from a human biological specimen.

(c) "Endangered" means that a law enforcement official has received sufficient evidence that the missing person is at risk of physical injury or death. The following circumstances indicate that a missing person is at risk of physical injury or death:

(1) the person is missing as a result of a confirmed abduction or under circumstances that indicate that the person's disappearance was not voluntary;

(2) the person is missing under known dangerous circumstances;

(3) the person is missing more than 30 days;

(4) the person is under the age of 21 and at least one other factor in this paragraph is applicable;

(5) there is evidence the person is in need of medical attention or prescription medication such that it will have a serious adverse effect on the person's health if the person does not receive the needed care or medication;

(6) the person does not have a pattern of running away or disappearing;

(7) the person is mentally impaired;

(8) the person has been diagnosed with dementia, a traumatic brain injury, Alzheimer's disease, or other cognitive impairments;

(9) the person has been diagnosed with autism;

(10) there is evidence that the person may have been abducted by a noncustodial parent;

~~(9)~~ (11) the person has been the subject of past threats or acts of violence;

~~(10)~~ (12) there is evidence the person is lost in the wilderness, backcountry, or outdoors where survival is precarious and immediate and effective investigation and search and rescue efforts are critical; or

~~(11)~~ (13) any other factor that the law enforcement agency deems to indicate that the person may be at risk of physical injury or death, including a determination by another law enforcement agency that the person is missing and endangered.

(d) "Missing" means the status of a person after a law enforcement agency that has received a report of a missing person has conducted a preliminary investigation and determined that the person cannot be located.

(e) "NCIC" means National Crime Information Center.

Sec. 8. **[299C.77] FEDERAL BACKGROUND CHECKS BY POLITICAL SUBDIVISIONS.**

Subdivision 1. **Definition.** As used in this section, "applicant for licensure" means an individual or if the applicant is a corporation, limited liability company, partnership, or other legal entity, every officer, director, manager, and general partner of the entity, who seeks a license issued by a county or city to operate a business:

(1) that qualifies as an adult entertainment establishment under section 617.242, subdivision 1; or

(2) providing massage services.

Subd. 2. **Background check authorized.** (a) A county or city may investigate the criminal history background of any applicant for licensure.

(b) The investigation conducted pursuant to paragraph (a) must consist of a criminal history check of the state criminal records repository and a national criminal history check. The county or city must accept the applicant's signed criminal history records check consent form for the state and national criminal history check request, a full set of classifiable fingerprints, and required fees. The county or city must submit the applicant's completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the applicant. The bureau may exchange an applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the county or city. Using the criminal history data provided by the bureau, the county or city must determine whether the applicant is disqualified from licensure. The applicant's failure to cooperate with the county or city in conducting the records check is reasonable cause to deny an application.

Sec. 9. Minnesota Statutes 2024, section 299F.47, subdivision 2, is amended to read:

Subd. 2. **Charter school inspections; fees.** The state fire marshal shall charge charter schools ~~$100~~ $0.014 per square foot for each school building inspected. ~~This rate~~ These rates shall include two follow-up inspections or on-site consultations. If additional follow-up inspections or consultations are needed, the state fire marshal shall charge ~~$50~~ $0.005 per square foot for each additional follow-up inspection to each applicable building in which a follow-up inspection is needed.

Sec. 10. Minnesota Statutes 2024, section 609.527, subdivision 3, is amended to read:

Subd. 3. **Penalties.** A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is $250 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than $250 but not more than $500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than $500 but not more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves more than three but not more than seven direct victims, or if the total combined loss to the direct and indirect victims is more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2);

(5) if the offense involves eight or more direct victims, or if the total, combined loss to the direct and indirect victims is more than $35,000, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1); and

(6) if the offense is related to possession or distribution of ~~pornographic work~~ child sexual abuse material in violation of section 617.246 or 617.247, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

Sec. 11. Minnesota Statutes 2024, section 611A.90, is amended to read:

611A.90 RELEASE OF ~~VIDEOTAPES~~ RECORDINGS OF CHILD ABUSE VICTIMS.

Subdivision 1. **Definition.** For purposes of this section, "physical abuse" and "sexual abuse" have the meanings given in section 260E.03, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

Subd. 2. **Court order required.** (a) A custodian of a ~~videotape~~ recording of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse as part of an investigation or evaluation of the abuse may not release a copy of the ~~videotape~~ recording without a court order, notwithstanding that the subject has consented to the release of the ~~videotape~~ recording or that the release is authorized under law.

(b) The court order may govern the purposes for which the ~~videotape~~ recording may be used, reproduction, release to other persons, retention and return of copies, and other requirements reasonably necessary for protection of the privacy and best interests of the child.

Subd. 3. **Petition.** An individual subject of data, as defined in section 13.02, or a patient, as defined in sections 144.291 to 144.298, who is seeking a copy of a ~~videotape~~ recording governed by this section may petition the district court in the county where the alleged abuse took place or where the custodian of the ~~videotape~~ recording resides for an order releasing a copy of the ~~videotape~~ recording under subdivision 2. Nothing in this section establishes a right to obtain access to a

~~videotape~~ recording by any other person nor limits a right of a person to obtain access if access is otherwise authorized by law or pursuant to discovery in a court proceeding.

Sec. 12. Minnesota Statutes 2024, section 617.246, is amended to read:

617.246 USE OF MINORS IN SEXUAL PERFORMANCE PROHIBITED.

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

(b) "Minor" means any person under the age of 18.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance or other exhibition presented before an audience or for purposes of visual or mechanical reproduction that uses a minor to depict actual or simulated sexual conduct as defined by ~~clause~~ paragraph (e).

(e) "Sexual conduct" means any of the following:

(1) an act of sexual intercourse, normal or perverted, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a person who is nude or clad in undergarments or in a revealing costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one so clothed;

(3) masturbation;

(4) lewd exhibitions of the genitals; or

(5) physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(f) ~~"Pornographic work"~~ "Child sexual abuse material" means:

(1) an original or reproduction of a picture, film, photograph, negative, slide, videotape, videodisc, or drawing of a sexual performance involving a minor; or

(2) any visual depiction, including any photograph, film, video, picture, drawing, negative, slide, or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means that:

(i) uses a minor to depict actual or simulated sexual conduct;

(ii) has been created, adapted, or modified to appear that an identifiable minor is engaging in sexual conduct; or

(iii) is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexual conduct.

For the purposes of this paragraph, an identifiable minor is a person who was a minor at the time the depiction was created or altered, whose image is used to create the visual depiction.

(g) "Material" has the meaning given in section 617.241, subdivision 1, paragraph (e).

Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or ~~pornographic work~~ child sexual abuse material if the person knows or has reason to know that the conduct intended is a sexual performance or ~~a pornographic work~~ child sexual abuse material.

Any person who violates this paragraph is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a business in which ~~a pornographic work~~ child sexual abuse material, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the ~~pornographic work~~ child sexual abuse material disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor ~~a pornographic work~~ child sexual abuse material, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $40,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.247;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 5. **Consent; mistake.** Neither consent to sexual performance by a minor or the minor's parent, guardian, or custodian nor mistake as to the minor's age is a defense to a charge of violation of this section.

Subd. 6. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the sexual performance or ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

Sec. 13. Minnesota Statutes 2024, section 617.247, is amended to read:

617.247 POSSESSION OF ~~PORNOGRAPHIC WORK INVOLVING MINORS~~ CHILD SEXUAL ABUSE MATERIAL.

Subdivision 1. **Policy; purpose.** It is the policy of the legislature in enacting this section to protect minors from the physical and psychological damage caused by their being used in ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involves minors. It is therefore the intent of the legislature to penalize possession of ~~pornographic work~~ child sexual abuse material depicting sexual conduct which involve minors or appears to involve minors in order to protect the identity of minors who are victimized by involvement in the ~~pornographic work~~ child sexual abuse material, and to protect minors from future involvement in ~~pornographic work~~ child sexual abuse material depicting sexual conduct.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given ~~them~~:

(a) ~~"Pornographic work"~~ "Child sexual abuse material" has the meaning given ~~to it~~ in section 617.246.

(b) "Sexual conduct" has the meaning given ~~to it~~ in section 617.246.

Subd. 3. **Dissemination prohibited.** (a) A person who disseminates ~~pornographic work~~ child sexual abuse material to an adult or a minor, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $10,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $20,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 4. **Possession prohibited.** (a) A person who possesses ~~a pornographic work~~ child sexual abuse material or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing ~~a pornographic work~~ child sexual abuse material, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $5,000, or both.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $10,000, or both, if:

(1) the person has a prior conviction or delinquency adjudication for violating this section or section 617.246;

(2) the violation occurs when the person is a registered predatory offender under section 243.166; or

(3) the violation involved a minor under the age of 14 years.

Subd. 5. **Exception.** This section does not apply to the performance of official duties by peace officers, court personnel, or attorneys, nor to licensed physicians, psychologists, or social workers or persons acting at the direction of a licensed physician, psychologist, or social worker in the course of a bona fide treatment or professional education program.

Subd. 6. **Consent.** Consent to sexual performance by a minor or the minor's parent, guardian, or custodian is not a defense to a charge of violation of this section.

Subd. 7. **Second offense.** If a person is convicted of a second or subsequent violation of this section within 15 years of the prior conviction, the court shall order a mental examination of the person. The examiner shall report to the court whether treatment of the person is necessary.

Subd. 8. **Affirmative defense.** It shall be an affirmative defense to a charge of violating this section that the ~~pornographic work~~ child sexual abuse material was produced using only persons who were 18 years or older.

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for 15 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

Sec. 14. Minnesota Statutes 2024, section 624.712, subdivision 5, is amended to read:

Subd. 5. **Crime of violence.** "Crime of violence" means: felony convictions of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.215 (aiding suicide and aiding attempted suicide); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.229 (crimes committed for the benefit of a gang); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.247 (carjacking); 609.25 (kidnapping); 609.255 (false imprisonment); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.486 (commission of crime while wearing or possessing a bullet-resistant vest); 609.52 (involving theft of a firearm and theft involving the theft of a controlled substance, an explosive, or an incendiary device); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582, subdivision 1 or 2 (burglary in the first and second degrees); 609.66, subdivision 1e (drive-by shooting); 609.67 (unlawfully owning, possessing, operating a machine gun or short-barreled shotgun); 609.71 (riot); 609.713 (terroristic threats); 609.749 (harassment); 609.855, subdivision 5 (shooting at a public transit vehicle or facility); ~~and chapter~~ chapters 152 (drugs, controlled substances); and 343 (prevention of cruelty to animals); and an attempt to commit any of these offenses.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2024, section 624.714, subdivision 7a, is amended to read:

Subd. 7a. **Change of address or legal name; loss or destruction of permit.** (a) Within 30 days after changing the permit holder's legal name or permanent address, or within 30 days of having lost or destroyed the permit card, the permit holder must notify the issuing sheriff of the change, loss, or destruction. Failure to provide notification as required by this subdivision is a petty misdemeanor. The fine for a first offense must not exceed $25. Notwithstanding section 609.531, a firearm carried in violation of this paragraph is not subject to forfeiture.

(b) After notice is given under paragraph (a), a permit holder may obtain a replacement permit card by paying $10 to the sheriff. The request for a replacement permit card must be made on an official, standardized application adopted for this purpose under section 624.7151, and, except in the case of a legal name or an address change, must include a notarized statement that the permit card has been lost or destroyed.

Sec. 16. Minnesota Statutes 2024, section 626.19, subdivision 3, is amended to read:

Subd. 3. **Authorized use.** A law enforcement agency may use a UAV:

(1) during or in the aftermath of an emergency situation that involves the risk of death or bodily harm to a person;

(2) to preserve or protect evidence from the imminent risk of destruction;

~~(2)~~ (3) over a public event where there is a heightened risk to the safety of participants or bystanders;

(4) to assist in the lawful pursuit of a suspect who is fleeing law enforcement or who the law enforcement agency reasonably believes might flee;

~~(3)~~ (5) to counter the risk of a terrorist attack by a specific individual or organization if the agency determines that credible intelligence indicates a risk;

~~(4)~~ (6) to prevent the loss of life and property in natural or man-made disasters and to facilitate operational planning, rescue, and recovery operations in the aftermath of these disasters;

~~(5)~~ (7) to conduct a threat assessment in anticipation of a specific event;

~~(6)~~ (8) to collect information from a public area if there is reasonable suspicion of criminal activity;

~~(7)~~ (9) to collect information for crash reconstruction purposes after a serious or deadly collision occurring on a public road;

~~(8)~~ (10) over a private area with the written consent of the occupant or a public area, for officer training or public relations purposes; ~~and~~

~~(9)~~ (11) for purposes unrelated to law enforcement at the request of a government entity provided that the government entity makes the request in writing to the law enforcement agency and specifies the reason for the request and proposed period of use; and

(12) to facilitate the search for a missing person.

Sec. 17. Minnesota Statutes 2024, section 626A.35, is amended by adding a subdivision to read:

Subd. 2c. **Exception; fleeing motor vehicles.** The prohibition under subdivision 1 does not apply to the use of a mobile tracking device on a fleeing motor vehicle. For purposes of this subdivision, the term "flee" has the meaning given in section 609.487, subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2024, section 634.35, is amended to read:

634.35 ~~VIDEOTAPES~~ RECORDINGS OF CHILD VICTIMS; CONDITIONS OF DISCLOSURE.

(a) If a ~~videotaped~~ recorded interview of a child victim of physical or sexual abuse is disclosed by a prosecuting attorney to a defendant or the defendant's attorney, the following applies:

(1) no more than two copies of the ~~tape~~ recording or any portion of the ~~tape~~ recording may be made by the defendant or the defendant's attorney, investigator, expert, or any other representative or agent of the defendant;

(2) the ~~tapes~~ recordings may not be used for any purpose other than to prepare for the defense in the criminal action against the defendant;

(3) the ~~tapes~~ recordings may not be publicly exhibited, shown, displayed, used for educational, research, or demonstrative purposes, or used in any other fashion, except in judicial proceedings in the criminal action against the defendant;

(4) the ~~tapes~~ recordings may be viewed only by the defendant, the defendant's attorney, and the attorney's employees, investigators, and experts;

(5) no transcript of the ~~tapes~~ recordings, nor the substance of any portion of the ~~tapes~~ recordings, may be divulged to any person not authorized to view or listen to the ~~tapes~~ recordings;

(6) no person may be granted access to the ~~tapes~~ recordings, any transcription of the ~~tapes~~ recordings, or the substance of any portion of the ~~tapes~~ recordings unless the person has first signed a written agreement that the person is aware of this statute and acknowledges that the person is subject to the court's contempt powers for any violation of it; and

(7) upon final disposition of the criminal case against the defendant, the ~~tapes~~ recordings and any transcripts of the ~~tapes~~ recordings must be returned to the prosecuting attorney.

(b) The court may hold a person who violates this section in contempt.

Sec. 19. **REVISOR INSTRUCTION.**

The revisor of statutes shall update headnote cross-references in Minnesota Statutes and Minnesota Rules to reflect the changes made in this article.

Sec. 20. **REPEALER.**

Minnesota Statutes 2024, sections 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; and 325F.07, are repealed.

ARTICLE 6

CRIMINAL JUSTICE-RELATED JUDICIAL PROVISIONS

Section 1. **[13.891] RESTORATIVE PRACTICE PARTICIPANT DATA.**

(a) For purposes of this section, "restorative practice participant" has the meaning given in section 595.02, subdivision 1b, paragraph (a), clause (2).

(b) Data collected, created, or maintained by a government entity that identifies an individual as a restorative practice participant is private data on individuals but may be disclosed for the purposes described in section 595.02, subdivision 1b, paragraph (b) or (c). This section does not apply to personnel data, as defined in section 13.43, subdivision 1, or to an individual who receives payment to facilitate a restorative practice, as defined in section 142A.76, subdivision 1.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 8, is amended to read:

Subd. 8. **Report.** By February 15 of each year, the director shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and education, on the work of the Office of Restorative Practices, any grants issued pursuant to this section, and the status of local restorative practices initiatives in the state that were reviewed in the previous year. The report on the status of local restorative practices initiatives must incorporate data on recidivism, public safety impacts, and financial investments in restorative practices.

Sec. 3. Minnesota Statutes 2024, section 388.23, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, paging companies, and subscribers of private computer networks including Internet service providers or computer bulletin board systems~~,~~;

(ii) electric companies, gas companies, and water utilities~~,~~;

(iii) chemical suppliers~~,~~;

(iv) hotels and motels~~,~~;

(v) pawn shops~~,~~;

(vi) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and

(vii) freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~, and~~;

(2) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies~~,~~;

(3) insurance records relating to the monetary payment or settlement of claims~~,~~;

(4) the banking, credit card, and financial records of a subject of an identity theft investigation or a vulnerable adult, whether held in the name of the vulnerable adult or a third party, including but not limited to safe deposit, loan and account applications and agreements, signature cards, statements, checks, transfers, account authorizations, safe deposit access records and documentation of fraud~~, and~~;

(5) wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs~~.~~; and

(6) any of the following records of an employer or other person or business entity who is the subject of a wage theft investigation:

(i) accounting and financial records such as books, registers, payrolls, banking records, credit card records, securities records, and records of money transfers;

(ii) records required to be kept pursuant to section 177.30, paragraph (a); and

(iii) other records that in any way relate to wages or other income paid, hours worked, and other conditions of employment of any employee or of work performed by persons identified as independent contractors, and records of any payments to contractors, and records of workers' compensation insurance.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation. Administrative subpoenas may only be issued in welfare fraud and identity theft cases if there is probable cause to believe a crime has been committed.

(c) This ~~provision~~ subdivision applies only to the records of business entities and does not extend to private individuals or their dwellings.

(d) As used in this subdivision, "business entity" has the meaning given in section 308B.005.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2024, section 590.01, is amended to read:

590.01 AVAILABILITY, CONDITIONS.

Subdivision 1. **Petition.** Except at a time when direct appellate relief is available, a person convicted of a crime~~,~~ or who received a stay of adjudication who claims that:

(1) the conviction or stay of adjudication obtained, or the sentence or other disposition made, violated the person's rights under the Constitution or laws of the United States or of the state; or

(2) scientific evidence not available at trial, obtained pursuant to a motion granted under subdivision 1a, establishes the petitioner's actual innocence;

may commence a proceeding to secure relief by filing a petition in the district court in the county in which the conviction or stay of adjudication was had to vacate and set aside the judgment and to discharge the petitioner or to resentence the petitioner or grant a new trial or correct the sentence or make other disposition as may be appropriate. A petition for postconviction relief after a direct appeal has been completed may not be based on grounds that could have been raised on direct appeal of the conviction, stay of adjudication, or sentence. Nothing contained herein shall prevent the supreme court or the court of appeals, upon application by a party, from granting a stay of a case on appeal for the purpose of allowing an appellant to apply to the district court for an evidentiary hearing under the provisions of this chapter. The proceeding shall conform with sections 590.01 to 590.06.

Subd. 1a. **Motion for fingerprint or forensic testing not available at trial.** (a) A person convicted of a crime, or who received a stay of adjudication, may make a motion for the performance of fingerprint or forensic DNA testing to demonstrate the person's actual innocence if:

(1) the testing is to be performed on evidence secured in relation to the trial which resulted in the conviction or plea; and

(2) the evidence was not subject to the testing because either the technology for the testing was not available at the time of the trial or the testing was not available as evidence at the time of the trial.

The motion shall be filed before the district court that entered the judgment of conviction or stay of adjudication. Reasonable notice of the motion shall be served on the prosecuting attorney who represented the state at trial.

(b) A person who makes a motion under paragraph (a) must present a prima facie case that:

(1) identity was an issue in the trial; and

(2) the evidence to be tested has been subject to a chain of custody sufficient to establish that it has not been substituted, tampered with, replaced, or altered in any material aspect.

(c) The court shall order that the testing be performed if:

(1) a prima facie case has been established under paragraph (b);

(2) the testing has the scientific potential to produce new, noncumulative evidence materially relevant to the defendant's assertion of actual innocence; and

(3) the testing requested employs a scientific method generally accepted within the relevant scientific community. The court shall impose reasonable conditions on the testing designed to protect the state's interests in the integrity of the evidence and the testing process.

Subd. 2. **Remedy.** This remedy takes the place of any other common law, statutory or other remedies which may have been available for challenging the validity of a stay of adjudication, conviction, sentence, or other disposition and must be used exclusively in place of them unless it is inadequate or ineffective to test the legality of the stay of adjudication, conviction, sentence or other disposition.

Subd. 3. **Application for relief.** A person who has been convicted or received a stay of adjudication and sentenced for a crime committed before May 1, 1980, may institute a proceeding applying for relief under this chapter upon the ground that a significant change in substantive or procedural law has occurred which, in the interest of justice, should be applied retrospectively, including resentencing under subsequently enacted law.

No petition seeking resentencing shall be granted unless the court makes specific findings of fact that release of the petitioner prior to the time the petitioner would be released under the sentence currently being served does not present a danger to the public and is not incompatible with the welfare of society.

Subd. 4. **Time limit.** (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction, stay of adjudication, or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that provides facts necessary to sustain one or more legally cognizable claims for postconviction relief, if such evidence could not have been ascertained by the exercise of due diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, is not cumulative to evidence presented at trial, and is not for impeachment purposes;

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case;

(4) the petition is brought pursuant to subdivision 3; or

(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

Sec. 5. Minnesota Statutes 2024, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion

based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of section 626.557 and chapter 260E.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this

clause exempts sexual assault counselors from compliance with the provisions of section 626.557 and chapter 260E.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A domestic abuse advocate ~~may~~ shall not, without the consent of the victim, be ~~compelled~~ allowed to disclose any opinion or information received from or about the victim ~~without the consent of the victim unless ordered by the court~~ which the advocate acquired in attending the victim in a professional capacity. ~~In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the relationship between the victim and domestic abuse advocate, and the services if disclosure occurs.~~ Nothing in this paragraph (1) exempts domestic abuse advocates from compliance with the provisions of section 626.557 and chapter 260E, or (2) modifies a prosecutor's obligation to disclose material and information to the defense when the information is in the possession or control of members of the prosecution staff and of any others who have participated in the investigation or evaluation of the case and who either regularly report, or with reference to the particular case have reported, to the prosecutor's office.

For the purposes of this section, "domestic abuse advocate" means an employee or supervised volunteer from a community-based ~~battered women's shelter and~~ domestic abuse program eligible to receive grants under section 611A.32; that provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse and who is not employed by or under the direct supervision of a law enforcement agency, a prosecutor's office, or by a city, county, or state agency.

(m) A person cannot be examined as to any communication or document, including work notes, made or used in the course of or because of mediation pursuant to an agreement to mediate or a collaborative law process pursuant to an agreement to participate in collaborative law. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement or a stipulated agreement resulting from the collaborative law process set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation or collaborative law by the common law.

(n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(o) A communication assistant for a telecommunications relay system for persons who have communication disabilities shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

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

Sec. 6. Minnesota Statutes 2024, section 595.02, is amended by adding a subdivision to read:

Subd. 1b. **Inadmissibility; exceptions.** (a) For purposes of this subdivision:

(1) "restorative practice" has the meaning given in section 142A.76, subdivision 1; and

(2) "restorative practice participant" means a facilitator, a person who has caused harm, a person who has been harmed, a community member, and any other person attending a restorative practice.

(b) Statements made or documents offered in the course of a restorative practice are not subject to discovery or admissible as evidence in a civil or criminal proceeding. This paragraph does not apply:

(1) to statements or documents that are the subject of a report made pursuant to section 626.557 or chapter 260E;

(2) if a restorative practice participant reasonably believed that disclosure of a statement or document was necessary to prevent reasonably certain death, great bodily harm, or commission of a crime; or

(3) if the statement or document constitutes evidence of professional misconduct by a restorative practice participant acting in the capacity of their professional or occupational license.

(c) Notwithstanding paragraph (b), if a court orders a person who caused harm to participate in a restorative practice, a person overseeing the restorative practice may disclose information necessary to demonstrate whether the person who caused harm participated as ordered.

(d) Evidence that is otherwise admissible or subject to discovery does not become inadmissible or protected from discovery solely because it was discussed or used in a restorative practice.

Sec. 7. Minnesota Statutes 2024, section 609A.06, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2024, section 609A.06, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 609A.06, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

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

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

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

Sec. 10. Minnesota Statutes 2024, section 609A.06, subdivision 12, is amended to read:

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

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

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

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter

to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

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

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

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

ARTICLE 7

CRIME VICTIMS PROVISIONS

Section 1. Minnesota Statutes 2024, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, ~~battered women~~ domestic abuse victim shelters and nonshelter programs, ~~and~~ sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

Sec. 2. Minnesota Statutes 2024, section 611A.02, is amended to read:

611A.02 NOTIFICATION OF VICTIM SERVICES AND VICTIMS' RIGHTS.

Subd. 2. **Victims' rights.** (a) The Office of Justice Programs in the Department of Public Safety shall update the ~~two~~ model notices of the rights of crime victims required to be distributed under this section and section 629.341.

(b) The initial notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, at the time of initial contact with the victim at the scene or when the victim makes a report. The notice, which can be distributed as a document or electronically, must inform a victim of:

(1) the victim's right to apply ~~for reparations~~ to the Minnesota Crime Victims Reimbursement Program to cover losses, not including property losses, resulting from a violent crime ~~and the telephone number to call to request an application~~ and information on how to apply;

(2) the victim's right to request that the law enforcement agency withhold public access to data revealing the victim's identity under section 13.82, subdivision 17, paragraph (d);

(3) the additional rights of domestic abuse victims as described in section 629.341;

(4) information on statewide crime victim help lines, the state address confidentiality program, and the nearest crime victim assistance program or resource; and

(5) the ~~victim's rights, if an offender is charged, to be informed of and participate in the prosecution process, including the right to request restitution; and~~ right to be notified if an offender is charged, to participate in the prosecution process, and to request restitution upon conviction.

~~(6)~~ (c) A supplemental notice must be distributed by law enforcement agencies in homicide cases~~,~~ and must include resources and information specific to homicide victims and information on rights and procedures available under sections 524.2-803, 524.3-614, and 524.3-615.

~~(c)~~ (d) A supplemental notice of the rights of crime victims must be distributed by the city or county attorney's office to each victim~~,~~ within a reasonable time after the offender is charged or petitioned. This notice must inform a victim of all the rights of crime victims under this chapter.

Subd. 3. **Notice of rights of victims in juvenile court.** ~~(a) The Office of Justice Programs in the Department of Public Safety shall update the notice of the rights of victims in juvenile court that explains~~ A supplemental notice shall be distributed by the prosecutor's office to each victim of an offense committed by a juvenile within a reasonable time after the petition is filed. This notice must notify the victim of:

(1) the rights of victims in the juvenile court;

(2) when a juvenile matter is public;

(3) the procedures to be followed in juvenile court proceedings; ~~and~~

(4) the right to attend certain juvenile court proceedings;

(5) the information related to the juvenile case that is available to victims; and

~~(4)~~ (6) other relevant matters.

~~(b) The juvenile court shall distribute a copy of the notice to each victim of juvenile crime who attends a juvenile court proceeding, along with a notice of services for victims available in that judicial district.~~

Sec. 3. Minnesota Statutes 2024, section 611A.0315, is amended to read:

611A.0315 VICTIM NOTIFICATION; DOMESTIC ASSAULT; CRIMINAL SEXUAL CONDUCT; HARASSMENT; STALKING.

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, or a violation of an order for protection; domestic abuse no contact order; or harassment restraining order that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by email or mail. If a suspect is still in custody, ~~the~~ a telephone or email notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, a violation of an order for protection, or a violation of a harassment restraining order, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment or stalking under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

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

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2.

(d) "Harassment" or "stalking" means a violation of section 609.749.

(e) "Criminal sexual conduct offense" means a violation of sections 609.342 to 609.3453.

(f) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

(g) "Violation of a harassment restraining order" has the meaning given in section 609.748, subdivision 6.

Sec. 4. Minnesota Statutes 2024, section 611A.06, is amended by adding a subdivision to read:

Subd. 3b. **Notice of submission of apology letter.** (a) The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender has submitted a letter of apology. Notices shall only be provided to victims who have submitted a written request for notification to the head of the county correctional facility in which the offender is confined, or if committed to the Department of Corrections, submitted a written request for the notice to the commissioner of corrections or an electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur within 90 days of the filing of the apology letter.

(b) Upon request, the commissioner of corrections or other custodial authority shall notify the Board of Pardons, the Clemency Review Commission, or a court that the offender submitted a letter of apology.

(c) The content of a letter of apology submitted by an offender is private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9, except that the letter may be provided to the intended recipient upon request.

Sec. 5. Minnesota Statutes 2024, section 629.341, subdivision 3, is amended to read:

Subd. 3. **Notice of rights.** The peace officer shall ~~tell~~ orally notify the victim ~~whether a~~ about shelter or other services ~~are~~ available in the community and give the victim immediate written notice of the legal ~~rights and~~ remedies and resources available. The written notice must include ~~furnishing the victim a copy of~~ the following statement:

~~"IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county attorney to file a criminal complaint. You also have the right to go to court and file a petition requesting an order for protection from domestic abuse. The order could include the following:~~

~~(1) an order restraining the abuser from further acts of abuse;~~

~~(2) an order directing the abuser to leave your household;~~

~~(3) an order preventing the abuser from entering your residence, school, business, or place of employment;~~

~~(4) an order awarding you or the other parent custody of or parenting time with your minor child or children; or~~

~~(5) an order directing the abuser to pay support to you and the minor children if the abuser has a legal obligation to do so."~~

"IF YOU ARE A VICTIM OF DOMESTIC VIOLENCE, you can file a petition with the court for an order for protection and ask that the person responsible for the domestic violence:

(1) Be restrained from further acts of abuse;

(2) Leave your household;

(3) Stay away from your residence, school, business, or place of employment; and

(4) Pay temporary support to you and for the minor child if the person is legally obligated to do so.

In your petition, you can request a custody and parenting time order for a child in common with the person."

The notice must include the ~~resource listing, including telephone number, for the area program that provides~~ statewide domestic abuse help line and contact information for area organizations providing services to victims of domestic abuse as ~~shelter,~~ designated by the Office of Justice Programs in the Department of Public Safety.

Sec. 6. **USE OF EXISTING SUPPLY.**

A law enforcement agency, city attorney's office, or county attorney's office may exhaust existing notices before producing materials with the modifications required under Minnesota Statutes, sections 611A.02, subdivision 2, and 629.341, subdivision 3.

ARTICLE 8

CORRECTIONAL PROVISIONS

Section 1. Minnesota Statutes 2024, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections:

(i) relating to the release, placement, term, revocation, and supervision of inmates on work release, on parole, or serving a supervised release or conditional release term~~,~~;

(ii) on the internal management of institutions under the commissioner's control~~, and rules adopted~~; and

(iii) under section 609.105 governing the inmates of ~~those~~ institutions under the commissioner's control;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; or

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A.

Sec. 2. Minnesota Statutes 2024, section 201.014, subdivision 2a, is amended to read:

Subd. 2a. **Felony conviction; restoration of civil right to vote.** An individual who is ineligible to vote because of a felony conviction has the civil right to vote restored during any period when the individual is not incarcerated for the offense. If the individual is later incarcerated for the offense, the individual's civil right to vote is lost only during that period of incarceration. For purposes of this subdivision only, an individual on work release under section 241.26 or ~~244.065 or~~ an individual released under section 631.425 is not deemed to be incarcerated.

Sec. 3. Minnesota Statutes 2024, section 241.26, subdivision 1, is amended to read:

Subdivision 1. ~~**Commissioner**~~ **Granting work release.** ~~When consistent with the public interest and the public safety,~~ (a) The commissioner of corrections may conditionally release an inmate ~~who is eligible and being considered for release under section 243.05,~~ to work at paid employment, seek employment, or participate in a vocational training or educational program~~.~~:

(1) when consistent with the public interest and the public safety; and

(2) if the inmate has served at least one-half of the term of imprisonment.

(b) Release under this subdivision is an extension of the limits of confinement, and each inmate ~~so~~ released ~~shall~~ must be confined in the correctional facility from which released or in some other suitable place of confinement designated by the commissioner of corrections during the hours the inmate is not employed, seeking employment, or engaged in a vocational training or educational program, or, if employed, seeking employment, or engaged in a vocational training or educational program, between the hours of such activity.

(c) A reasonable allowance for travel time and meals shall be permitted.

Sec. 4. Minnesota Statutes 2024, section 241.26, subdivision 3, is amended to read:

Subd. 3. **~~Rules~~ Policy.** The commissioner of corrections ~~shall establish rules for placement and supervision of such~~ must adopt policy for placing and supervising inmates under subdivision 1 and for ~~administration of~~ administrating programs authorized by this section. When consistent with the public interest, the commissioner may grant furloughs to ~~those~~ inmates participating in the programs authorized by this section who have spent at least 30 days in a residential work release center operated by or under the control of the commissioner for a period ~~of time~~ not to exceed their supervised release date.

Sec. 5. Minnesota Statutes 2024, section 241.26, subdivision 4, is amended to read:

Subd. 4. **~~Revocation~~ Rescinding work release.** The willful failure of an inmate to report to or return from planned employment, seeking employment, educational or vocational training, or furlough as provided in subdivision 3 ~~shall be~~ is considered an escape under section 609.485. If an inmate violates any ~~of the~~ policy rules ~~provided for in~~ under subdivision 3, the inmate's work placement, educational, or vocational training privileges may be withdrawn by the commissioner.

Sec. 6. Minnesota Statutes 2024, section 241.26, subdivision 5, is amended to read:

Subd. 5. **Earnings; work release account.** (a) The net earnings of each inmate participating in the work release program provided by this section may be collected by or forwarded to the commissioner of corrections for deposit to the account of the inmate in the work release account in the state treasury, or the inmate may be permitted to collect, retain, and expend the net earnings from the inmate's employment ~~under rules established~~ according to policy adopted by the commissioner of corrections. The money collected by or forwarded to the commissioner ~~under the rules shall remain~~ remains under the control of the commissioner for the sole benefit of the inmate. After making deductions for the payment of state and local taxes, if necessary, and for repayment of advances and gate money as provided in section 243.24, wages under the control of the commissioner and wages retained by the inmate may be disbursed by the commissioner or expended by the inmate for the following purposes and in the following order:

(1) the cost of the inmate's keep as determined by subdivision 7, which money shall be deposited in the general fund of the state treasury if the inmate is housed in a state correctional facility, or shall be paid directly to the place of confinement as designated by the commissioner pursuant to subdivision 1;

(2) necessary travel expense to and from work and other incidental expenses of the inmate;

(3) support of inmate's dependents, if any;

(4) court-ordered restitution, if any;

(5) fines, surcharges, or other fees assessed or ordered by the court;

(6) contribution to any programs established by law to aid victims of crime, provided that the contribution must not be more than 20 percent of the inmate's gross wages;

(7) restitution to the commissioner of corrections ordered by a prison disciplinary hearing officer for damage to property caused by an inmate's conduct;

(8) restitution to staff ordered by a prison disciplinary hearing officer for damage to property caused by an inmate's conduct;

(9) restitution to another inmate ordered by a prison disciplinary hearing officer for personal injury to another caused by an inmate's conduct;

(10) after the above expenditures, the inmate shall have discretion to direct payment of the balance, if any, upon proper proof of personal legal debts; and

(11) the balance, if any, shall be disbursed to the inmate as provided in section 243.24, subdivision 1.

(b) The commissioner may authorize the payment of court-ordered restitution from an inmate's wages when the restitution was court ordered as a sanction for the conviction of an offense which is not the offense of commitment, including offenses which occurred prior to the offense for which the inmate was committed to the commissioner. All money in the work release account are appropriated annually to the commissioner of corrections for the purposes of the work release program.

Sec. 7. Minnesota Statutes 2024, section 241.26, is amended by adding a subdivision to read:

Subd. 8. **Exempt from rulemaking.** A commissioner policy or policy rule under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 8. Minnesota Statutes 2024, section 241.80, is amended to read:

241.80 AMERICAN INDIAN CULTURAL PROGRAM.

Subdivision 1. **Authority.** The commissioner of corrections shall develop a policy to provide the cultural programming services listed in subdivision 2 to American Indian ~~inmates~~ incarcerated individuals of all juvenile and adult state correctional facilities and community-based correctional programs. The commissioner may, within the limits of available money, contract with appropriate American Indian private, nonprofit organizations to provide the cultural programming services.

Subd. 2. **Cultural programming services.** The policy shall include, but need not be limited to, providing, within the limits of available money, spiritual and cultural programming services having the following purposes:

(1) the ~~teaching of good work habits and the~~ development of ~~motivation through work~~ education and training needed for postincarceration self-sufficiency;

(2) the development of ~~cultural pride to improve~~ strengthened American Indian ~~self image~~ identity;

~~(3) the development of an understanding of and an adjustment to the cultural differences between American Indians and other ethnic groups;~~

(3) improved understanding of American Indian culture, traditions, and spiritual practices for Department of Corrections staff;

(4) the development of ~~attitudes of mutual trust, respect, and understanding among American Indian family members~~ partnerships with Tribal Nations to address the unique needs of American Indian incarcerated individuals and promote approaches to rehabilitation specific to this population;

(5) ~~the fostering of~~ increased availability of ~~medicine men and~~ American Indian spiritual leaders to teach American Indian ~~inmates~~ incarcerated individuals about American Indian history, cultural ~~sensitivity, and religion~~ and spiritual practices;

(6) the involvement of American Indian ~~inmates~~ incarcerated individuals in those aspects of the correctional system that will aid in their rehabilitation; and

(7) the provision of services to American Indian ~~inmates~~ incarcerated individuals that will facilitate their reentry into the community.

Sec. 9. Minnesota Statutes 2024, section 242.10, is amended to read:

242.10 HEARING OFFICERS, POWERS; PROBATION, COMMITMENT, PAROLE.

Subdivision 1. **Designated hearing officers.** The commissioner of corrections may designate from among the members of the commissioner's staff~~,~~ one or more hearing officers and delegate to them the authority to grant or revoke probation, commit to an institution, grant or revoke parole, or issue final discharge to any person ~~under the control of the commissioner pursuant to a commitment~~ committed to the commissioner by a juvenile court of this state.

Subd. 2. **Appealing order of hearing officer.** Any person aggrieved by an order issued by a hearing officer may appeal to the commissioner or ~~to a review panel established by the commissioner~~ a designee within the department ~~pursuant~~ according to ~~rules~~ policy issued by the commissioner.

Subd. 3. **Exempt from rulemaking.** A commissioner policy under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 10. Minnesota Statutes 2024, section 242.19, subdivision 3, is amended to read:

Subd. 3. **Retaking absconding and other person.** ~~The written order of the commissioner of corrections is authority to any peace officer or parole or probation officer~~ Warrants to take and detain any child committed to the commissioner of corrections by a juvenile court who absconds from field supervision or escapes from confinement, violates furlough conditions, or is released from court while on institution status are governed according to section 243.051. ~~Any person of the age of 18 years or older who is taken into custody under the provisions of this subdivision may be detained as provided in section 260B.181, subdivision 4.~~

Sec. 11. Minnesota Statutes 2024, section 242.44, is amended to read:

242.44 ~~PUPILS~~ JUVENILES.

Subdivision 1. **Receiving and housing juveniles.** The commissioner of corrections, so far as the accommodations of the correctional facilities and other means at the commissioner's disposal will permit, may receive juvenile delinquents and juvenile offenders serving a juvenile disposition under section 260B.130, subdivision 4. The commissioner's housing of these individuals must be consistent with federal and state law, including established admissions criteria for Minnesota Correctional Facility-Red Wing. The commissioner may place these youths at employment, may provide education suitable to their years and capacity, and may place them in suitable homes.

Subd. 2. **Parole or discharge.** (a) Under ~~rules~~ policy prescribed by the commissioner, when deemed best for these youths, persons committed to the commissioner's care and custody by a juvenile court may be paroled or discharged from the facility by the commissioner.

(b) A commissioner policy under this subdivision is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Subd. 3. **Youth in facility.** All ~~pupils~~ youth in the facility ~~shall~~ must be clothed, instructed, and maintained by the commissioner of corrections.

Sec. 12. Minnesota Statutes 2024, section 243.05, subdivision 1, is amended to read:

Subdivision 1. **Conditional release.** (a) The Supervised Release Board may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(1) no inmate serving a life sentence for committing murder before May 1, 1980, other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(2) no inmate serving a life sentence for committing murder before May 1, 1980, who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(3) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(4) any new rule or policy or change of rule or policy adopted by the commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change.

(b) Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the commissioner, subject at any time to be returned to a facility of the Department of Corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the commissioner.

~~(c) The written order of the commissioner of corrections, is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on parole or supervised release. In addition, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without order of warrant, take and detain a parolee or person on supervised release or work release and bring the person to the commissioner for action.~~

~~(d) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135. Additionally, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without an order, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14.~~

~~(e) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to detain any person on pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.~~

~~(f)~~ (c) Persons conditionally released~~,~~ and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

~~(g)~~ (d) Except as otherwise provided in subdivision 1b, in considering applications for conditional release or discharge, the commissioner is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the Department of Corrections in favor of or against the parole or release of any inmates. The commissioner may institute inquiries by correspondence, taking testimony, or otherwise, as to the previous history, physical or mental condition, and character of the inmate and, to that end, has the authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. The commissioner is authorized to administer oaths to witnesses for these purposes.

~~(h)~~ (e) Before revoking a nonviolent controlled substance offender's parole or probation based on a technical violation, when the offender does not present a risk to the public and the offender is amenable to continued supervision in the community, a parole or probation agent must identify community options to address and correct the violation including, but not limited to, inpatient substance use disorder treatment. If a probation or parole agent determines that community options are appropriate and available in the state, the agent must seek to restructure the offender's terms of release to incorporate those options. If an offender on probation stipulates in writing to restructure the terms of release, a probation agent must forward a report to the district court containing:

(1) the specific nature of the technical violation of probation;

(2) the recommended restructure to the terms of probation; and

(3) a copy of the offender's signed stipulation indicating that the offender consents to the restructuring of probation.

~~(i)~~ (f) The recommended restructuring of probation becomes effective when confirmed by a judge. The order of the court is proof of confirmation and amends the terms of the sentence imposed by the court under section 609.135.

~~(j)~~ (g) If a nonviolent controlled substance offender's parole or probation is revoked, the offender's agent must first attempt to place the offender in a local jail.

~~(k)~~ (h) For purposes of paragraphs ~~(h)~~ (e) to ~~(k)~~ (g):

(1) "nonviolent controlled substance offender" means a person who meets the criteria described under section 244.0513, subdivision 2, clauses (1), (2), and (5); and

(2) "technical violation" means any violation of a court order of probation or a condition of parole, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.

Sec. 13. Minnesota Statutes 2024, section 243.05, subdivision 2, is amended to read:

Subd. 2. **~~Rules~~ Policy on conditional release.** (a) The commissioner of corrections ~~may~~ must adopt ~~rules in accordance with chapter 14, the Administrative Procedure Act,~~ policy governing ~~the~~ procedures for granting ~~of~~ conditional release and final discharge. The ~~rules~~ policy may provide for the conduct and employment of persons conditionally released~~,~~ and other matters necessary to implement the duties conferred by law upon the commissioner with respect to conditional release and discharge of persons.

(b) A commissioner policy under this subdivision is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

(c) For purposes of this subdivision, "conditional release" means a person on parole, work release, or supervised release.

Sec. 14. Minnesota Statutes 2024, section 243.05, subdivision 4, is amended to read:

Subd. 4. **Hearing officers; powers; duties.** To carry out the powers and duties conferred by this section, the commissioner of corrections may designate from among staff members~~,~~ one or more hearing officers and delegate to them any of the powers and duties conferred by this section. ~~In the exercise of their delegated powers and duties the hearing officers shall be subject to the rules prescribed by the commissioner of corrections.~~

Sec. 15. **[243.051] WARRANTS AND STOP ORDERS.**

Subdivision 1. **Warrants and stop orders; commissioner policy.** (a) For purposes of this section, "commissioner" means the commissioner of corrections.

(b) Consistent with this section, the commissioner must adopt policy governing warrants and stop orders.

(c) A commissioner policy under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Subd. 2. **Warrants; generally.** (a) The commissioner may issue warrants, including nationwide warrants, for apprehension and detention in any of the following circumstances:

(1) when a person under the commissioner's supervision, including but not limited to a person on parole, supervised release, conditional release, work release, or probation, absconds from supervision or fails to abide by the conditions of their release;

(2) when a person on pretrial release absconds from pretrial release or fails to abide by the conditions of pretrial release;

(3) when an inmate escapes from any state correctional facility under the commissioner's control;

(4) when a convicted defendant fails to report postsentencing to their county authority or to a state correctional facility; or

(5) when a child committed to the commissioner by a juvenile court absconds from field supervision, escapes from confinement, violates furlough conditions, or is released from court while on institution status.

(b) For an inmate under paragraph (a), clause (3), the commissioner must use all proper means to apprehend and return the inmate, which may include offering a reward of no more than $100 to be paid from the state treasury, for information leading to the arrest and return to custody of the inmate.

(c) Any individual 18 years of age or older who is taken into custody under paragraph (a), clause (5), may be detained according to section 260B.181, subdivision 4.

Subd. 3. **Warrant authority.** A warrant issued by the commissioner is sufficient authority for any peace officer, state correctional investigator, or state parole or probation agent to retake and place in actual custody any person.

Subd. 4. **Preventing escape or enforcing discipline.** When it appears necessary to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without a warrant:

(1) take and detain any person on probation, parole, supervised release, conditional release, or work release; and

(2) take one of the following actions:

(i) for a person on probation, bring them before the court for further proceedings under section 609.14; or

(ii) for a person on parole, supervised release, conditional release, or work release, bring them to the commissioner for action.

Subd. 5. **Stop time.** The commissioner may stop the time from running on sentences of persons until they are taken into custody in the following circumstances:

(1) releasees who have absconded from supervision;

(2) inmates who have escaped from a state correctional facility; or

(3) convicted defendants who have failed to report postsentencing.

Sec. 16. Minnesota Statutes 2024, section 243.88, subdivision 2, is amended to read:

Subd. 2. **Private industry employment.** (a) Any corporation operating a factory or other business or commercial enterprise under this section may employ selected inmates of the correctional institution upon whose grounds it operates and persons conditionally released subject to the provisions of section 241.26. Persons conditionally released as provided in this subdivision ~~shall be deemed to be~~ are parolees within the purview of United States Code, title 49, section 60.

(b) Except as prohibited by applicable provisions of the United States Code, inmates of state correctional institutions may be employed in the manufacture and processing of goods, wares and merchandise for introduction into interstate commerce, provided that they are paid no less than the prevailing minimum wages for work of a similar nature performed by employees with similar skills in the locality in which the work is being performed.

~~Under rules~~ (c) As prescribed by the commissioner of corrections, a portion of the wages of each inmate employed as authorized by this subdivision, in an amount to be determined by the commissioner, shall be set aside and kept ~~by the chief executive officer of the facility~~ in the public welfare fund of the state for the benefit of the inmate and for the purpose of assisting the inmate when leaving the facility on conditional release or by final discharge. Any portion remaining undisbursed at the time of the inmate's final discharge shall be given to the inmate upon final discharge.

Sec. 17. Minnesota Statutes 2024, section 243.88, subdivision 5, is amended to read:

Subd. 5. **Deductions.** Notwithstanding any other law to the contrary, any compensation paid to inmates under this section is subject to section 243.23, subdivisions 2 and 3, and ~~rules~~ policy of the commissioner of corrections.

Sec. 18. Minnesota Statutes 2024, section 243.88, is amended by adding a subdivision to read:

Subd. 6. **Exempt from rulemaking.** A commissioner prescription or policy under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 19. Minnesota Statutes 2024, section 244.04, subdivision 1, is amended to read:

Subdivision 1. **Reduction of sentence; inmates sentenced for crimes committed before 1993.** (a) Notwithstanding the provisions of section 609.11, subdivision 6, and Minnesota Statutes 2004, section 609.109, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and whose crime was committed before August 1, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the

disciplinary offense rules ~~promulgated~~ adopted by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender conditionally released by the commissioner under section 609.3455 is governed by that provision.

(b) Except as otherwise provided in subdivision 2, if an inmate whose crime was committed before August 1, 1993, violates a disciplinary offense rule ~~promulgated by the commissioner~~, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 20. Minnesota Statutes 2024, section 244.04, subdivision 2, is amended to read:

Subd. 2. **Loss of good time.** ~~By May 1, 1980,~~ The commissioner ~~shall promulgate rules~~ must adopt policy specifying disciplinary offenses ~~which~~ that may result in the loss of good time and the amount of good time ~~which~~ that may be lost as a result of each disciplinary offense, including provision for restoration of good time. In no case shall an individual disciplinary offense result in the loss of more than 90 days of good time; except that no inmate confined in segregation for violation of a disciplinary rule shall be placed on supervised release until discharged or released from punitive segregation confinement, nor shall an inmate in segregation for violation of a disciplinary rule for which the inmate could also be prosecuted under the criminal laws earn good time while in segregation. The loss of good time shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for the loss of good time and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 21. Minnesota Statutes 2024, section 244.04, is amended by adding a subdivision to read:

Subd. 4. **Exempt from rulemaking.** A commissioner policy or disciplinary rule under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 22. Minnesota Statutes 2024, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. **Supervised release; inmates who commit crimes on or after August 1, 1993.** (a) Except as provided in subdivisions 4, 4a, and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release is equal to one-third of the inmate's fixed executed sentence, less any disciplinary confinement period imposed by the commissioner and regardless of any earned incentive release credit applied toward the individual's term of imprisonment under section 244.44.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive restrictive-housing confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the

inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

(c) A disciplinary rule under this subdivision is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

~~(c)~~ (d) For purposes of this subdivision, "earned incentive release credit" has the meaning given in section 244.41, subdivision 7.

Sec. 23. Minnesota Statutes 2024, section 244.05, subdivision 2, is amended to read:

Subd. 2. **~~Rules~~ Policy.** (a) The commissioner of corrections ~~shall~~ must adopt ~~by rule standards and procedures~~ policies for ~~the establishment of~~:

(1) establishing conditions of release ~~and the revocation of~~;

(2) revoking supervised or conditional release, ~~and shall specify the period of revocation for each violation of release. Procedures for the revocation of release shall provide due process of law for the inmate.~~ including revocation procedures that must provide for due process of law for the offender;

(3) assigning terms of reimprisonment for release violations; and

(4) extending terms of reimprisonment due to violations of disciplinary rules or other factors specified in policy relating to community supervision or public safety.

(b) In no case may a term of reimprisonment exceed 12 months unless:

(1) the release violation involved a conviction for a felony offense;

(2) the commissioner finds the releasee to be a risk to the public; or

(3) the commissioner finds the releasee to be unamenable to supervision due to one or more prior violations of the conditions of release.

~~(b)~~ (c) The commissioner may prohibit an inmate placed on parole, supervised release, or conditional release from using adult-use cannabis flower as defined in section 342.01, subdivision 3, or adult-use cannabis products as defined in section 342.01, subdivision 3, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48, if the inmate undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4.

~~(c)~~ (d) The commissioner of corrections shall not prohibit an inmate placed on parole, supervised release, or conditional release from participating in the registry program as defined in section 342.01, subdivision 61, as a condition of release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

(e) A commissioner policy or disciplinary rule under this subdivision is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 24. Minnesota Statutes 2024, section 244.0513, subdivision 1, is amended to read:

Subdivision 1. **Conditional release authority.** The commissioner of corrections has the authority to release offenders committed to the commissioner's custody who meet the requirements of this section and of any ~~rules~~ policy adopted by the commissioner. A commissioner policy under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 25. Minnesota Statutes 2024, section 244.0513, subdivision 7, is amended to read:

Subd. 7. **Release procedures.** The commissioner may deny conditional release to an offender under this section if the commissioner determines that the offender's release may reasonably pose a danger to the public or an individual. In making this determination, the commissioner ~~shall~~ must follow the procedures in section 244.05, subdivision 5, and ~~the rules adopted by the commissioner under that subdivision~~ policy thereunder. The commissioner shall consider whether the offender was involved in criminal gang activity during the offender's prison term. The commissioner shall also consider the offender's custody classification and level of risk of violence and the availability of appropriate community supervision for the offender. Conditional release granted under this section continues until the offender's sentence expires, unless release is rescinded under subdivision 8. The commissioner may not grant conditional release unless a release plan is in place for the offender that addresses, at a minimum, plans for aftercare, community-based substance use disorder treatment, gaining employment, and securing housing.

Sec. 26. Minnesota Statutes 2024, section 244.0513, subdivision 8, is amended to read:

Subd. 8. **Conditional release.** The conditions of release granted under this section are governed by the statutes and ~~rules~~ policy governing supervised release under this chapter, except that release may be rescinded without hearing by the commissioner if the commissioner determines that continuation of the conditional release poses a danger to the public or to an individual. If the commissioner rescinds an offender's conditional release, the offender shall be returned to prison and shall serve the remaining portion of the offender's sentence.

Sec. 27. Minnesota Statutes 2024, section 244.07, subdivision 1, is amended to read:

Subdivision 1. **Authority.** If consistent with the public interest, the commissioner may~~, under rules prescribed by the commissioner,~~ furlough any inmate in custody to any point within the state for up to five days. A furlough may be granted to assist the inmate with family needs, personal health needs, or reintegration into society. No inmate may receive more than three furloughs under this section within any 12-month period. ~~The provisions of~~ This section ~~shall also apply~~ applies to ~~those~~ inmates convicted of offenses ~~prior to~~ before May 1, 1980.

Sec. 28. Minnesota Statutes 2024, section 244.07, is amended by adding a subdivision to read:

Subd. 3. **Exempt from rulemaking.** A commissioner determination under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 29. Minnesota Statutes 2024, section 244.13, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a sentence on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, ~~and~~ 244.12 ~~to 244.15~~, and 244.13 are not subject to the rulemaking procedures of chapter 14 ~~because these policies and procedures are excluded from the definition of a rule under section 14.03, subdivision 3, paragraph (b), clause (1)~~, including section 14.386. The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in Community Corrections Act counties. In awarding contracts for intensive supervision programs in Community Corrections Act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state employees as intensive supervision agents. The commissioner may award contracts to other providers in Community Corrections Act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy.

Sec. 30. Minnesota Statutes 2024, section 244.171, subdivision 4, is amended to read:

Subd. 4. **Sanctions.** (a) The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's ~~rules adopted~~ policy under section 244.05, subdivision 2.

(b) An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

(c) Notwithstanding paragraph (b), an offender who has been removed from the challenge incarceration program but who remains otherwise eligible for acceptance into the program may be readmitted at the commissioner's discretion. An offender readmitted to the program under this paragraph must participate from the beginning and complete all of the program's phases.

Sec. 31. Minnesota Statutes 2024, section 244.19, subdivision 1c, is amended to read:

Subd. 1c. **Community supervision funding; eligibility for funding formula.** (a) A CPO jurisdiction:

(1) must collaborate with the commissioner to develop a comprehensive plan under section 401.06; and

(2) is subject to all applicable eligibility provisions under chapter 401 necessary to receive a subsidy under section 401.10.

(b) A non-CPO jurisdiction is eligible to receive a subsidy under section 401.10 but is not a Community Corrections Act jurisdiction under chapter 401~~, and~~. Except as provided under section 401.115, the commissioner~~:~~

~~(1)~~ is appropriated the jurisdiction's share of funding under section 401.10 for providing probation services~~; and~~.

~~(2) may seek reimbursement from the jurisdiction according to subdivision 5a.~~

Sec. 32. Minnesota Statutes 2024, section 244.19, subdivision 1d, is amended to read:

Subd. 1d. **Commissioner of corrections; reimbursing CPO ~~and non-CPO jurisdictions~~ jurisdiction.** As calculated by the community supervision formula under section 401.10, the commissioner must~~:~~

~~(1)~~ reimburse a CPO jurisdiction for the cost that the jurisdiction assumes under this section for providing probation services, including supervising juveniles committed to the commissioner of corrections~~; and~~.

~~(2) reimburse a non-CPO jurisdiction for the commissioner's provision of probation services to the jurisdiction under this section.~~

Sec. 33. Minnesota Statutes 2024, section 244.19, subdivision 5, is amended to read:

Subd. 5. **Commissioner ~~compensation to~~ duties for non-CPO jurisdiction.** (a) For a non-CPO jurisdiction, the commissioner must~~, out of appropriations provided under subdivision 5a, paragraph (b),~~ pay probation officers the salary and all benefits fixed by the state law or applicable bargaining unit and all necessary expenses, including secretarial service, office equipment and supplies, postage, telephone services, and travel and subsistence.

(b) Except as provided under section 401.115, the commissioner must pay the items under paragraph (a) using appropriations provided under section 401.10.

Sec. 34. Minnesota Statutes 2024, section 244.19, subdivision 5a, is amended to read:

Subd. 5a. **Department of Corrections ~~billing; CPO and non-CPO jurisdiction reimbursement~~ annual reporting.** (a) At least ~~every six months~~ annually, the commissioner must ~~bill for the total cost and expenses incurred by the commissioner on behalf of each non-CPO jurisdiction that has received probation services. The commissioner must~~ notify each CPO and non-CPO jurisdiction of the total cost and expenses~~, and the jurisdiction must pay to the commissioner the amount due for reimbursement~~ incurred by the commissioner on behalf of each CPO and non-CPO jurisdiction that has received probation services.

~~(b) Each CPO and non-CPO jurisdiction must reimburse the Department of Corrections for the total cost and expenses of the probation services as incurred by the commissioner, excluding the cost and expense of services provided under the state's obligation for adult felony supervision in section 244.20. Money received under this paragraph from a non-CPO jurisdiction must be annually appropriated to the commissioner for providing probation services to the jurisdiction.~~

~~(c) Objections by a non-CPO jurisdiction to all allocation of cost and expenses must be presented to and determined by the commissioner.~~

~~(d) In addition to the billing and reimbursement requirements under this section,~~ (b) Invoicing and payments for probation services for a CPO jurisdiction are as provided under sections 401.14 and 401.15.

Sec. 35. Minnesota Statutes 2024, section 244.20, is amended to read:

244.20 PROBATION; FELONY SUPERVISION.

(a) Notwithstanding sections 244.19, subdivisions 1 to 1d, and 609.135, subdivision 1, the Department of Corrections:

(1) has exclusive responsibility for providing probation services for adult felons in counties and Tribal Nations that do not take part in the Community Corrections Act subsidy program under chapter 401; and

(2) to provide felony supervision, retains the county's or Tribal Nation's funding allotted under section 401.10 for providing felony probation services.

(b) Paragraph (a), clause (2), does not apply to a Tribal Nation's subsidy under section 401.115.

Sec. 36. Minnesota Statutes 2024, section 326.338, subdivision 4, is amended to read:

Subd. 4. **Protective agent.** A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent:

(1) providing guards, private patrol, or other security personnel to protect persons or their property or to prevent the theft, unlawful taking of goods, merchandise, or money, or to prevent the misappropriation or concealment of goods, merchandise, money, or other valuable things, or to procure the return of those things;

(2) physically responding to any alarm signal device, burglar alarm, television camera, still camera, or a mechanical or electronic device installed or used to prevent or detect burglary, theft, shoplifting, pilferage, losses, or other security measures;

(3) providing armored car services for the protection of persons or property;

(4) controlling motor traffic on public streets, roads, and highways for the purpose of escorting a funeral procession and oversized loads;

(5) providing management and control of crowds for the purpose of safety and protection; or

(6) providing guards or other security personnel to transport prisoners or any other person arrested on a warrant, except that this does not apply to the transport or escort of offenders by staff of the Department of Corrections; the transport of a person by the sheriff of a county to the appropriate adult or juvenile correctional facility as designated by the commissioner of corrections or to and from court in connection with postconviction, habeas corpus, or intrastate mandatory disposition of detainers proceedings; the transfer of a person by emergency medical services personnel; or the transfer of a person by a peace officer as defined in section 626.84, subdivision 1, paragraph (c), or employed by a federal law enforcement agency.

A person covered by this subdivision may perform the traffic-control duties in clause (4) in place of a police officer when a special permit is required, provided that the protective agent is first-aid qualified.

Sec. 37. Minnesota Statutes 2024, section 401.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "CCA jurisdiction" means a county or Tribal Nation that participates in the Community Corrections Act, the subsidy program under this chapter.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means:

(1) parole, supervised release, or conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7;

(2) work release as authorized by sections 241.26~~, 244.065,~~ and 631.425; and

(3) probation, furlough, and any other authorized temporary release from a correctional facility.

(e) "Detain" means to take into actual custody, including custody within a local correctional facility.

(f) "Joint board" means the board under section 471.59.

(g) "Local advisory board" means:

(1) for a CCA jurisdiction, a corrections advisory board as defined in section 401.08;

(2) for a non-CCA jurisdiction other than a Tribal Nation, a human services advisory board as defined in section 402.02, or advisory committee or task force as defined in section 402.03; or

(3) for a Tribal Nation that is a non-CCA jurisdiction, a board with membership as determined by the Tribal Nation.

(h) "Non-CCA jurisdiction" means a county or Tribal Nation that is not participating in the Community Corrections Act subsidy program and provides or receives probation services according to section 244.19.

(i) "Probation officer" means a county or Tribal probation officer under a CCA or non-CCA jurisdiction appointed with the powers under section 244.19.

(j) "Release" means to release from actual custody.

(k) "Tribal Nation" means a federally recognized Tribal Nation within the boundaries of the state of Minnesota.

Sec. 38. Minnesota Statutes 2024, section 401.03, is amended to read:

401.03 RULEMAKING AUTHORITY; TECHNICAL ASSISTANCE.

(a) The commissioner must, as provided in chapter 14, adopt rules to implement this chapter and provide consultation and technical assistance to counties and Tribal Nations to help them develop comprehensive plans, including abbreviated plans.

(b) The time limit to adopt rules under section 14.125 does not apply.

Sec. 39. Minnesota Statutes 2024, section 401.10, subdivision 1, is amended to read:

Subdivision 1. **Community supervision funding formula.** (a) Beginning July 1, 2023, the community supervision subsidy paid to each county, the commissioner for supervision of non-CCA jurisdictions served by the Department of Corrections, and each applicable Tribal Nation ~~under paragraph (c)~~ providing services as a CCA jurisdiction or CPO jurisdiction as defined in section 244.19, subdivision 1a, paragraph (b), equals the sum of:

(1) a base funding amount equal to $150,000; and

(2) a community supervision formula equal to the sum of:

~~(i) for each individual with a felony sentence, a felony per diem rate of $5.62 multiplied by the sum of the county's or Tribal Nation's adult felony population, adult supervised release and parole populations, and juvenile supervised release and parole populations as reported in the most recent probation survey published by the commissioner, multiplied by 365; and~~

~~(ii) for each individual sentenced for a gross misdemeanor or misdemeanor or under juvenile probation, the felony per diem rate of $5.62 multiplied by 0.5 and then multiplied by the sum of the county's or Tribal Nation's gross misdemeanor, misdemeanor, and juvenile populations as reported in the most recent probation survey published by the commissioner, multiplied by 365.~~

(i) for individuals with a felony sentence, the felony per diem rate of $5.62 shall be multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's adult felony population, adult supervised release population, adult parole population, juvenile supervised release population, and juvenile parole populations. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation; and

(ii) for individuals sentenced for a gross misdemeanor or misdemeanor, or under juvenile probation, the felony per diem rate of $5.62 shall be multiplied by 0.5, and then multiplied by the average total population over the three most recent years, as reported in the probation surveys published by the commissioner. This population includes the county or Tribal Nation's gross misdemeanor population, misdemeanor population, and juvenile probation population. The resulting amount shall then be multiplied by 365 to calculate the total annual allocation.

(b) For a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), the base funding amount must be shared equally between the jurisdiction and the commissioner for the provision of felony supervision under section 244.20.

(c) If in any year the total amount appropriated for the purpose of this section is more than or less than the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations, the sum of each county's and applicable Tribal Nation's base funding plus community supervision formula funding is adjusted by the ratio of amounts appropriated for this purpose divided by the total of base funding plus community supervision formula funding for all counties and applicable Tribal Nations.

(d) If in any year the base funding plus the community supervision formula amount based on what was appropriated in fiscal year 2024 is less than the funding paid to the county in fiscal year 2023, the difference is added to the community supervision formula amount for that county. A county is not eligible for additional funding under this paragraph unless the base funding plus community supervision formula results in an increase in funding for the county based on what was appropriated in the previous fiscal year. This paragraph expires June 30, 2029.

~~(e) For each Tribal Nation, a funding amount of $250,000 is allotted annually to purchase probation services or probation-related services, including contracted services, but a Tribal Nation that becomes a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under paragraphs (a) to (c) and:~~

~~(1) has the Tribal Nation's funding amount of $250,000 transferred to the total community supervision subsidy amount appropriated for the purposes of this section; and~~

~~(2) is allotted a base funding amount equal to $150,000 plus an amount as determined according to the community supervision formula under paragraph (a), clause (2).~~

~~(f)~~ (e) Minnesota Rehabilitation and Reinvestment Act savings under section 244.50, subdivision 4, clause (2), are appropriated to each CCA jurisdiction and non-CCA jurisdiction served by the Department of Corrections by dividing the three-year average of the number of individuals on supervised release and intensive supervised release within the jurisdiction by the three-year average of the total number of individuals under supervised release and intensive supervised release statewide, using the numbers reported annually in the Probation Survey report.

Sec. 40. Minnesota Statutes 2024, section 401.10, is amended by adding a subdivision to read:

Subd. 1a. **Prorating subsidy for Interstate Transfer Unit.** Before disbursing the community supervision subsidy in subdivision 1, the commissioner must prorate the cost of the Interstate Transfer Unit based upon the county's share of the average total probation population over the three most

recent years as reported in the probation survey published by the commissioner and deduct that amount from the county's subsidy.

Sec. 41. Minnesota Statutes 2024, section 401.10, subdivision 4, is amended to read:

Subd. 4. **Report.** ~~(a)~~ By January 15, 2025, and every odd-numbered year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy. At a minimum, the report must summarize and contain the following data:

(1) the commissioner's most recent workload study under section 401.17, subdivision 4; and

~~(2) the commissioner's collected caseload data under section 244.21, subdivision 1; and~~

~~(3)~~ (2) projected growth in the community supervision formula calculated by analyzing ~~caseload~~ supervision population trends and data.

~~(b) The report may be made in conjunction with reporting under section 244.21.~~

Sec. 42. Minnesota Statutes 2024, section 401.11, subdivision 1, is amended to read:

Subdivision 1. **Policy items.** (a) Except for an abbreviated comprehensive plan submitted under section 401.115, a comprehensive plan submitted to the commissioner for approval under section 401.06 must include items prescribed by commissioner policy and may include the following:

(1) the manner in which presentence and postsentence investigations and reports for the district courts and social history reports for the juvenile courts will be made;

(2) the manner in which conditional release services to the courts and persons under jurisdiction of the commissioner will be provided;

(3) a program for detaining, supervising, and treating persons under pretrial detention or under commitment;

(4) delivery of other correctional services;

(5) proposals for new programs, which proposals must demonstrate a need for the program, and the program's purpose, objective, administrative structure, staffing pattern, staff training, financing, evaluation process, degree of community involvement, client participation, and duration;

(6) descriptions of programs that adhere to best practices for assessing risk and using interventions that address an individual's needs while tailoring supervision and interventions by using risk, need, and responsivity principles; and

(7) data on expenditures, costs, and programming results and outcomes for individuals under community supervision.

(b) The commissioner must develop in policy budgetary requirements for comprehensive plans to ensure the efficient and accountable expenditure of a county's or Tribal Nation's subsidy for correctional services and programming to produce successful community supervision outcomes.

Sec. 43. **[401.115] NONPARTICIPATING TRIBAL NATIONS.**

Subdivision 1. **Subsidy amount.** A Tribal Nation electing not to provide services as a CCA jurisdiction or a CPO jurisdiction under section 244.19, subdivision 1a, paragraph (b), is eligible for a subsidy of $250,000 annually to purchase or provide community supervision services or reentry services, including contracted services.

Subd. 2. **Eligibility for subsidy.** (a) A Tribal Nation is eligible to receive funding under subdivision 1 upon submission and approval by the commissioner of an abbreviated comprehensive plan. Section 401.08 does not apply. The abbreviated plan must comply with commissioner-developed standards and, at minimum:

(1) describe the community supervision services or reentry services for which the funding will be utilized;

(2) identify a steering committee to oversee the use of funds; and

(3) provide a budget for those services.

(b) Once approved, the abbreviated comprehensive plan is valid for two years.

Subd. 3. **Paying subsidy.** A Tribal Nation receiving the subsidy under subdivision 1 must be paid according to section 401.14.

Subd. 4. **Eligibility for community supervision funding formula.** A Tribal Nation electing to become a CCA jurisdiction or a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), is an applicable Tribal Nation under section 401.10, subdivision 1, paragraphs (a) to (c), and:

(1) has the Tribal Nation's funding amount under subdivision 1 transferred to the community supervision formula amount appropriated for the purpose of section 401.10;

(2) is allotted a base funding amount equal to $150,000 plus an amount as determined according to the community supervision formula under section 401.10, subdivision 1, paragraph (a), clause (2); and

(3) is subject to all requirements relating to providing correctional services under section 244.19 and chapter 401.

Sec. 44. Minnesota Statutes 2024, section 401.14, is amended to read:

401.14 PAYING SUBSIDY TO CCA AND NON-CCA JURISDICTIONS.

Subdivision 1. **Payment.** (a) This section does not apply to:

(1) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (d); and

(2) a non-CCA jurisdiction under section 244.19, subdivision 1b, paragraph (b) or (c), for the portion of the subsidy distributed for felony probation services.

(b) After a county or Tribal Nation becomes compliant with the prerequisites for receiving the subsidy and the commissioner approves the applicable comprehensive plan, the commissioner must determine whether funds exist to pay the subsidy and proceed to pay it in accordance with applicable law.

Subd. 2. **Quarterly remittance.** Based on the approved comprehensive plan, the commissioner may estimate the amount to be expended in furnishing the required correctional services during each calendar quarter and cause the estimated amount to be remitted to the counties and Tribal Nations entitled to the amount as provided under section 401.15, subdivision 1.

Subd. 3. **Installment payments.** The commissioner must:

(1) make payments for correctional services to each county and Tribal Nation in 12 installments per year;

(2) ensure that the pertinent payment of the allotment for each month is made to each county and Tribal Nation on the first working day after the end of each month of the calendar year, except for the last month of the calendar year; and

(3) ensure that each county and Tribal Nation receives its monthly payment allotment no later than the last working day of each month.

Sec. 45. Minnesota Statutes 2024, section 401.15, subdivision 2, is amended to read:

Subd. 2. **Formula review.** The commissioner must ~~annually~~ review the community supervision formula under section 401.10 at the start of each biennium and calculate and prorate the subsidy accordingly.

Sec. 46. Minnesota Statutes 2024, section 401.17, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 19 members as follows:

(1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;

(2) two probation directors appointed by the Minnesota Association of County Probation Officers;

(3) three county commissioner representatives appointed by the Association of Minnesota Counties;

(4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the Department of Human Services and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) two commissioner-appointed representatives from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals ~~who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems~~ with varied experiences in community supervision, reflecting the diversity of the state's supervision frameworks as well as demographic and geographic diversity, appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties;

(9) an advocate for victims of crime appointed by the commissioner; ~~and~~

(10) a representative from a community-based research ~~and~~ or advocacy entity appointed by the commissioner~~.~~;

(11) two judicial representatives, one from the seven-county metropolitan area and one from greater Minnesota, appointed by the Minnesota Judicial Council;

(12) one prosecutor appointed by the Minnesota County Attorneys Association; and

(13) one defense attorney appointed by the Minnesota State Public Defender.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) Chapter 15 applies to the extent consistent with this section.

(d) The commissioner must convene the first meeting of the committee on or before October 1, 2023.

Sec. 47. Minnesota Statutes 2024, section 401.17, subdivision 5, is amended to read:

Subd. 5. **Data collection; report.** (a) By June 1, 2024, the advisory committee, in consultation with the Minnesota Counties Computer Cooperative, must create a method to (1) standardize data classifications across the three community supervision systems, and (2) collect data for the commissioner to publish in an annual report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy.

(b) The advisory committee's method, at a minimum, must provide for collecting the following data:

(1) the number of individuals sentenced to supervision each year;

(2) the offense levels, offense types, and assessed risk levels for which individuals are sentenced to supervision;

(3) violation and revocation rates and the identified grounds for the violations and revocations, including final disposition of the violation action such as execution of the sentence, imposition of new conditions, or a custodial sanction;

(4) the number of individuals granted early discharge from probation;

(5) the number of individuals restructured on supervision, including imposition of new conditions of release; and

(6) the number of individuals revoked from supervision and the identified grounds for revocation.

(c) Beginning ~~January 15~~ May 1, 2025, as part of the report under section ~~241.21~~ 244.21, subdivision 2, the commissioner must include data collected under the committee method established under this subdivision. The commissioner must analyze the collected data by race, gender, and county, including Tribal Nations.

(d) Nothing in this section overrides the commissioner's authority to require additional data be provided under other law.

Sec. 48. Minnesota Statutes 2024, section 609.105, subdivision 2, is amended to read:

Subd. 2. **Place of confinement.** (a) The commissioner of corrections shall determine the place of confinement in a prison, reformatory, or other facility of the Department of Corrections established by law for the confinement of convicted persons and prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or without the facility. When the remaining term of imprisonment for a convicted person upon commitment is 90 days or less, the commissioner of corrections may contract with a county for placement of the person in a county jail or detention center for the remainder of the person's term.

(b) A commissioner's determination, prescription, or policy rule under this section is not a rule under chapter 14 and is exempt from the rulemaking provisions under chapter 14, including section 14.386.

Sec. 49. Minnesota Statutes 2024, section 609.495, subdivision 1, is amended to read:

Subdivision 1. **Definition of crime.** (a) Whoever harbors, conceals, aids, or assists by word or acts another whom the actor knows or has reason to know has committed a crime under the laws of this or another state or of the United States with intent that such offender shall avoid or escape from arrest, trial, conviction, or punishment, may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both if the crime committed or attempted by the other person is a felony.

(b) Whoever knowingly harbors, conceals, or aids a person who is on probation, parole, or supervised release because of a felony level conviction and for whom an arrest and detention order has been issued, with intent that the person evade or escape being taken into custody under the order, may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both. As used in this paragraph, "arrest and detention order" means a written order to take and detain a probationer, parolee, or supervised releasee that is issued under section ~~243.05, subdivision 1; 244.195;~~ 243.051, 244.1951, or 401.025.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 50. Laws 2023, chapter 52, article 11, section 31, is amended to read:

Sec. 31. **MENTAL HEALTH UNIT PILOT PROGRAM.**

(a) The commissioner of corrections shall establish a pilot program with interested counties to provide mental health care to individuals with serious and persistent mental illness who are incarcerated in county jails. The pilot program must require the participating counties to pay according to Minnesota Statutes, section 243.51, a per diem for reimbursement of the Mental Health Unit at the Minnesota Correctional Facility - Oak Park Heights, and other costs incurred by the Department of Corrections.

(b) The commissioner in consultation with the Minnesota Sheriffs' Association shall develop program protocols, guidelines, and procedures and qualifications for participating counties and incarcerated individuals to be treated in the Mental Health Unit. The program is limited to a total of five incarcerated individuals from the participating counties at any one time. Incarcerated individuals must ~~volunteer to be treated in the unit and~~ be able to participate in programming with other incarcerated individuals. A licensed mental health professional must evaluate the incarcerated individual and recommend the individual to receive treatment in the unit.

(c) The Minnesota Correctional Facility - Oak Park Heights warden, director of psychology, and associate director of behavioral health, or a designee of each, in consultation with the Minnesota Sheriffs' Association, the Minnesota branch of the National Association on Mental Illness, and the Department of Human Services, shall oversee the pilot program.

~~(d) On November 15, 2024, the warden shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over corrections describing the protocols, guidelines, and procedures for participation in the pilot program by counties and incarcerated individuals, challenges with staffing, cost sharing with counties, capacity of the program, services provided to the incarcerated individuals, program outcomes, concerns regarding the program, and recommendations for the viability of a long-term program.~~

~~(e)~~ (d) The pilot program expires ~~November 16, 2024~~ August 1, 2027.

Sec. 51. **REPEALER.**

(a) Minnesota Statutes 2024, sections 243.58; 244.065, subdivision 1; 253.21; and 253.23, are repealed.

(b) Minnesota Rules, parts 2940.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, and 34; 2940.0200; 2940.0300; 2940.0400; 2940.0500; 2940.0600; 2940.0700; 2940.0800; 2940.0900; 2940.1000; 2940.1100; 2940.1200; 2940.1300; 2940.1400; 2940.1500; 2940.1600; 2940.1700; 2940.1800; 2940.1900; 2940.2000; 2940.2100; 2940.2200; 2940.2300; 2940.2400; 2940.2500; 2940.2600; 2940.2700; 2940.2800; 2940.2900; 2940.3000; 2940.3100; 2940.3200; 2940.3300; 2940.3400; 2940.3500; 2940.3600; 2940.3700; 2940.3800; 2940.3900; 2940.4000; 2940.4100; 2940.4200; 2940.4300; 2940.4400; 2940.4500; and 2940.5700, are repealed.

ARTICLE 9

CIVIL COMMITMENT COORDINATING DIVISION

Section 1. **[8.365] DEFINITIONS.**

(a) The definitions in section 253B.02 apply to sections 8.37 to 8.38.

(b) For the purposes of sections 8.37 to 8.38, the following terms have the meanings given:

(1) "engagement services" means the services described under section 253B.041;

(2) "outpatient civil commitment" means the option available to a committing court under section 253B.09, subdivision 1, paragraph (c); and

(3) "provisional discharge" means the option available to the head of a treatment facility or community-based treatment program under section 253B.09, subdivision 1.

Sec. 2. **[8.37] CIVIL COMMITMENT COORDINATING DIVISION.**

Subdivision 1. **Civil Commitment Coordinating Division established.** There shall be in the Office of the Attorney General a Civil Commitment Coordinating Division. A civil commitment coordinator shall be appointed by the attorney general. The civil commitment coordinator shall perform duties that may lawfully be assigned to the coordinator by the attorney general or by law.

Subd. 2. **Duties of the civil commitment coordinator.** The civil commitment coordinator must:

(1) continuously maintain the Civil Commitment Advisory Committee;

(2) in consultation with the Civil Commitment Advisory Committee, provide best practices and guidance regarding engagement services, outpatient civil commitment, and provisional discharge to committing courts, counties, designated agencies, treatment facilities, and community-based treatment programs;

(3) advocate for increased statewide capacity for engagement services, outpatient civil commitment, and provisional discharge;

(4) provide ongoing technical assistance to those at the local and regional level tasked with monitoring participants civilly committed under chapter 253B;

(5) provide guidance on data collection of outcomes related to engagement services, outpatient civil commitment, and provisional discharge;

(6) aggregate and analyze all data submitted by all jurisdictions by either contracting with a third party to perform these tasks or entering into an interagency agreement with the commissioner of management and budget to utilize the Results First Initiative to perform these tasks;

(7) ensure that any data submitted is treated in accordance with chapter 13; and

(8) create a public awareness campaign designed to educate the public about the availability and effectiveness of engagement services.

Subd. 3. **Civil Commitment Advisory Committee.** (a) The attorney general shall establish the Civil Commitment Advisory Committee. The Civil Commitment Advisory Committee shall advise the civil commitment coordinator on: identification of best practices regarding engagement services, outpatient civil commitment, and provisional discharge; development of guidance for implementation of engagement services, outpatient civil commitment, and provisional discharge; development of data reporting requirements and standards; identification of outcomes to be measured through data analysis; and other topics as determined by the coordinator.

(b) The Civil Commitment Advisory Committee must consist of no fewer than 11 members and no more than 20 members. The membership of the committee must include:

(1) the attorney general or a designee who is not the civil commitment coordinator;

(2) the chief executive officer of Direct Care and Treatment or a designee;

(3) the commissioner of public safety or a designee;

(4) the commissioner of corrections or a designee;

(5) the ombudsman for mental health and developmental disabilities or a designee;

(6) a member representing district court judges, appointed by the chief justice of the supreme court;

(7) a member representing district court administrators, appointed by the chief justice of the supreme court;

(8) a member representing county administrators or county social services administrators, appointed by the attorney general;

(9) a member representing federally recognized Tribes in Minnesota and urban Indian communities, appointed by the Indian Affairs Council;

(10) a member who is a defense attorney and has represented a person referred for civil commitment, appointed by the attorney general;

(11) a member who was previously civilly committed, appointed by the attorney general;

(12) a member who is a parent, sibling, or child of a person currently or previously civilly committed, appointed by the attorney general;

(13) a member who is a person for whom engagement services were successfully provided, appointed by the attorney general;

(14) a member who is a provider of engagement services, appointed by the attorney general;

(15) a member who represents a treatment facility or community-based treatment program that accepts civilly committed participants, appointed by the attorney general;

(16) up to four additional members appointed by the attorney general; and

(17) the Minnesota Competency Attainment Board Program Administrator or designee.

(c) The attorney general must consult with the chief executive officer of Direct Care and Treatment before making appointments to the committee.

(d) The members of the Civil Commitment Advisory Committee serve without compensation.

Sec. 3. **[8.38] DIVERSION STUDIES.**

Subdivision 1. **Diversion studies.** Each county must conduct diversion studies in accordance with the requirements of this section. Diversion studies must examine each county's local behavioral health system's capacity to divert people who have a mental illness, developmental disability, or chemical use disorder away from the local justice system and into treatment. The civil commitment coordinator must establish uniform study guidelines, data requirements, including any qualitative data or narrative requirements, and data reporting procedures for diversion studies. The coordinator must ensure that the study guidelines and data requirements will allow the coordinator to determine how people with a mental illness, people with a developmental disability, and people with a substance use disorder come into contact with and move through the local criminal justice system and what resources are available or needed to divert individuals away from the local justice system.

Subd. 2. **Diversion study reporting requirements.** By October 1, 2027, and every two years thereafter, each county must submit to the coordinator in the manner established under subdivision 1 all required data and narratives related to its diversion study.

Subd. 3. **Statewide diversion study report.** By April 1, 2028, and every two years thereafter, the civil commitment coordinator must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over civil commitment, mental health, or Direct Care and Treatment a report summarizing the county-level data submitted under subdivision 2. The coordinator must include in the report county, regional, and state-level needs assessments. The coordinator must include in subsequent reports comparisons to the data submitted in prior reports and any statistically significant trends the coordinator's analysis reveals.

Sec. 4. **TRANSPORT HOLD WORK GROUP.**

Subdivision 1. **Establishment and membership.** (a) The Transport Hold Work Group is comprised of the following members:

(1) the commissioner of human services or the commissioner's designee;

(2) a representative of the Minnesota County Attorneys Association;

(3) the state public defender or a designee;

(4) a commitment defense attorney;

(5) at least two mental health professionals with experience in crisis response, one of whom must work primarily outside the seven-county metropolitan area, appointed by the commissioner of human services;

(6) at least two mental health professionals from underrepresented communities as defined in Minnesota Statutes, section 148E.025, subdivision 20;

(7) a representative of the Minnesota Sheriffs' Association;

(8) a representative of the Minnesota Chiefs of Police Association;

(9) a representative of the Association of Minnesota Counties;

(10) a representative of the Minnesota Ambulance Association;

(11) a representative of the National Alliance on Mental Illness Minnesota;

(12) a representative of Mental Health Minnesota;

(13) the ombudsman for mental health and developmental disabilities or the ombudsman's designee; and

(14) the chief executive officer of Direct Care and Treatment or a designee.

(b) Members listed in clauses (2), (4), (5), and (6) to (12) are appointed by the commissioner of human services, with recommendation from the named organizations.

Subd. 2. **Duties.** (a) The duties of the work group are to:

(1) determine best practices when a person must be taken into custody and transported for emergency admission under Minnesota Statutes, section 253B.051;

(2) determine best practices when a peace officer may use authorized force to take a person into custody and transport the person under Minnesota Statutes, section 253B.051; and

(3) develop recommendations for policy changes and funding needs to safely transport people in mental health crises, including alternatives to law enforcement.

(b) By February 1, 2026, the work group must submit a written report to the governor and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services and public safety on the work group's activities and recommendations.

Subd. 3. **Administration.** The Department of Human Services must provide administrative support to the work group and must assist in creation of the report under subdivision 2.

Subd. 4. **Compensation.** Members of the work group serve without compensation.

Subd. 5. **Appointment deadline.** Members must be appointed by the authorities under subdivision 1 by July 31, 2025.

Subd. 6. **Meeting; chair.** The commissioner of health must convene the first meeting by September 15, 2025. The work group must elect a chair at its first meeting. The chair must convene meetings of the work group at least monthly.

Subd. 7. **Expiration.** The work group expires February 1, 2026.

ARTICLE 10

COURTS

Section 1. Minnesota Statutes 2024, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. $30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, 260C.331, and 518A.82, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from the Office of Ombudsperson for American Indian Families or any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 256, 257, 260, 260A, 260B, 260C, ~~and~~ 260D, and 518, and sections 524.5-201 to 524.5-317.

Sec. 2. Minnesota Statutes 2024, section 480.243, is amended by adding a subdivision to read:

Subd. 3. **Report to legislature.** The State Board of Civil Legal Aid shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over judiciary on data related to the cases and individuals and families serviced by each of the grant recipients providing legal services with funds received pursuant to section 480.242. The data shall be provided for each individual organization and, when possible, for each geographic region the organization works in, and provided in the aggregate to protect the privacy of the individuals and families served by the organization. Reports under this subdivision shall be submitted by April 1 in odd-numbered years.

Sec. 3. Minnesota Statutes 2024, section 484.44, is amended to read:

484.44 DEPUTY SHERIFF AND COURT ADMINISTRATOR; ST. LOUIS COUNTY.

There shall be at all times a chief deputy sheriff of St. Louis County and a chief deputy court administrator of the district court of St. Louis County and such other deputies as may be necessary, resident at the city of Virginia, or the city of Ely, or the city of Hibbing, and their appointment shall be made in the same manner as other deputy sheriffs and deputy clerks of the district court in said county. The salaries of such deputies shall be fixed and paid in the same manner as other such deputies. The office of said deputy sheriff at Virginia, Hibbing, and Ely shall not in any sense be considered or deemed the office of the sheriff for any purpose except the performance of duties relating solely to proceedings tried or to be tried at said places; but the office of the deputy court administrator at said places shall be equally deemed the office of the court administrator of court for all purposes ~~except the filing of papers in actions or proceedings to be tried at Duluth~~. Marriage licenses and naturalization papers may be issued by said deputy court administrator.

Sec. 4. Minnesota Statutes 2024, section 484.51, is amended to read:

484.51 PAPERS WHERE FILED; ST. LOUIS COUNTY.

~~After~~ Regardless of the place of trial of any cause ~~is determined~~, as provided in sections 484.44 to 484.52, all papers, orders and documents pertaining to all causes ~~to be tried at Virginia and filed in court shall be filed and be kept on file at the court administrator's office in the city of Virginia, and all causes to be tried in Hibbing and all papers, orders and documents pertaining thereto shall be filed and be kept on file at the court administrator's office in the city of Hibbing~~ can be filed at any court location in St. Louis County.

In all actions tried at the city of Virginia or the city of Hibbing, the court administrator, as soon as final judgment is entered, shall forthwith cause such judgment to be docketed in the court administrator's office at the county seat; and when so docketed the same shall become a lien on real estate and have the same effect as judgments entered in causes tried at the county seat.

In all actions tried at the city of Virginia or the city of Hibbing, involving the title of real estate, upon final judgment being entered, all the papers in said cause shall be filed in the court administrator's office at the county seat and the final judgment or decree recorded therein, and a certified copy of all papers in the case shall be made by the court administrator and retained at the court administrator's office in the city of Virginia or in the court administrator's office in the city of Hibbing where the action was originally tried, without additional charge to the parties to said action.

Sec. 5. Minnesota Statutes 2024, section 518.68, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Every court order or judgment and decree under this chapter or chapter 518A that provides for child support, spousal maintenance, custody, or parenting time must contain certain notices as set out in subdivision 2. The information in the notices must be concisely stated in plain language~~. The notices must be~~ and in clearly legible print~~, but may not exceed two pages~~. An order or judgment and decree without the notice remains subject to all statutes. The court may waive all or part of the notice required under subdivision 2 relating to parental rights under section 518.17, subdivision 3, if it finds it is necessary to protect the welfare of a party or child.

Sec. 6. Minnesota Statutes 2024, section 524.5-420, is amended to read:

524.5-420 REPORTS; APPOINTMENT OF VISITOR; MONITORING; COURT ORDERS.

(a) A conservator shall report to the court for administration of the estate annually unless the court otherwise directs, upon resignation or removal, upon termination of the conservatorship, and at other times as the court directs. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. An order, after notice and hearing, allowing an intermediate report of a conservator adjudicates liabilities concerning the matters adequately disclosed in the accounting. An order, after notice and hearing, allowing a final report adjudicates all previously unsettled liabilities relating to the conservatorship.

(b) A report must state or contain a listing of the assets of the estate under the conservator's control and a listing of the receipts, disbursements, and distributions during the reporting period.

(c) The report must also state an address or post office box and a telephone number where the conservator can be contacted.

(d) A conservator shall report to the court in writing within 30 days of the occurrence of any of the events listed in this paragraph. The conservator must report any of the occurrences in this paragraph and follow the same reporting requirements in this paragraph for any employee of the conservator responsible for exercising powers and duties under the conservatorship. A copy of the report must be provided to the person subject to conservatorship and to interested persons of record with the court. A conservator shall report when:

(1) the conservator is removed for cause from serving as a guardian or conservator, and if so, the case number and court location;

(2) the conservator has a professional license from an agency listed under section 524.5-118, subdivision 2a, denied, conditioned, suspended, revoked, or canceled, and if so, the licensing agency and license number, and the basis for denial, condition, suspension, revocation, or cancellation of the license;

(3) the conservator is found civilly liable in an action that involves fraud, misrepresentation, material omission, misappropriation, theft, or conversion, and if so, the case number and court location;

(4) the conservator files for or receives protection under the bankruptcy laws, and if so, the case number and court location;

(5) a civil monetary judgment is entered against the conservator, and if so, the case number, court location, and outstanding amount owed;

(6) the conservator is convicted of a crime other than a petty misdemeanor or traffic offense, and if so, the case number and court location; or

(7) an order for protection or harassment restraining order is issued against the conservator, and if so, the case number and court location.

(e) A person subject to conservatorship or an interested person of record with the court may submit to the court a written statement disputing account statements regarding the administration of the estate or addressing any disciplinary or legal action that is contained in the reports and may petition the court for any order that is in the best interests of the person subject to conservatorship and the estate or for other appropriate relief.

(f) An interested person may notify the court in writing that the interested person does not wish to receive copies of reports required under this section after which time neither the court nor any other person is required to give notice to any person who has waived notice.

(g) The court may appoint a visitor to review a report or plan, interview the person subject to conservatorship or conservator, and make any other investigation the court directs. In connection with a report, the court may order a conservator to submit the assets of the estate to an appropriate examination to be made in a manner the court directs.

(h) The court shall establish a system for monitoring of conservatorships, including the filing and review of conservators' reports and plans. If an annual report is not filed within 60 days of the required date, the court shall issue an order to show cause. Unless otherwise ordered by the court, a report under this section shall be filed publicly.

(i) If there is no acting guardian, a conservator that becomes aware of the death of the person subject to conservatorship shall notify in writing; orally; or by phone, text message, email, or electronic service, all known interested persons as defined by section 524.5-102, subdivision 7, clauses (iii), (iv), (v), (vi), (ix), and (xi), and the court as soon as is reasonably practical, that the person subject to conservatorship has died. The conservator may delegate this task under reasonable circumstances.

(j) If a conservator fails to comply with this section, the court may decline to appoint that person as a guardian or conservator, or may remove a person as guardian or conservator.

ARTICLE 11

DATA PRACTICES

Section 1. Minnesota Statutes 2024, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data about themselves.

(b) To exercise this right, an individual shall notify in writing the responsible authority of the government entity that maintains the data, describing the nature of the disagreement.

(c) Upon receiving notification from the data subject, the responsible authority shall within 30 days either:

(1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or

(2) notify the individual that the responsible authority has determined the data to be correct. If the challenged data are determined to be accurate or complete, the responsible authority shall inform the individual of the right to appeal the determination to the commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

(d) A data subject may appeal the determination of the responsible authority pursuant to the provisions of the Administrative Procedure Act relating to contested cases. An individual must submit an appeal to the commissioner within 60 days of the responsible authority's notice of the right to appeal or as otherwise provided by the rules of the commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(e) The commissioner may dismiss an appeal without first attempting to resolve the dispute or before issuing an order and notice of a contested case hearing if:

(1) the appeal to the commissioner is not timely;

(2) the appeal concerns data previously presented as evidence in a court proceeding in which the data subject was a party; or

(3) the individual making the appeal is not the subject of the data challenged as inaccurate or incomplete.

(f) A responsible authority may submit private data to the commissioner to respond to a data subject's appeal of the determination that data are accurate and complete. Section 13.03, subdivision 4, applies to data submitted by the responsible authority. Government data submitted to the commissioner by a government entity, copies of government data submitted by a data subject, or government data described by the data subject in their appeal have the same classification as the data when maintained by the government entity. The commissioner may disclose private data contained within the appeal record to the Office of Administrative Hearings.

~~(f)~~ (g) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

~~(g)~~ (h) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

(i) Data maintained by the commissioner that a responsible authority has completed, corrected, or destroyed as the result of the informal resolution process described in paragraph (d) or by order of the commissioner, are private data on individuals.

Sec. 2. Minnesota Statutes 2024, section 13.05, subdivision 5, is amended to read:

Subd. 5. **Data protection.** (a) The responsible authority shall:

(1) establish procedures to assure that all data on individuals is accurate, complete, and current for the purposes for which it was collected;

(2) establish appropriate security safeguards for all records containing data on individuals, including procedures for ensuring that data that ~~are~~ is not public ~~are~~ is only accessible to persons whose work assignment reasonably requires access to the data, and is only being accessed by those persons for purposes described in the procedure; ~~and~~

(3) develop a policy incorporating these procedures, which may include a model policy governing access to the data if sharing of the data with other government entities is authorized by law; and

(4) establish procedures for monitoring access to private or confidential data on individuals.

(b) When not public data is being disposed of, the data must be destroyed in a way that prevents its contents from being determined.

Sec. 3. Minnesota Statutes 2024, section 13.356, is amended to read:

13.356 PERSONAL CONTACT AND ONLINE ACCOUNT INFORMATION.

(a) The following data on an individual collected, maintained, or received by a government entity ~~for notification purposes or as part of a subscription list for an entity's electronic periodic publications as requested by the individual are~~ is private data on individuals:

(1) telephone number;

(2) email address; and

(3) Internet user name, password, Internet protocol address, and any other similar data related to the individual's online account or access procedures.

(b) Section 13.04, subdivision 2, does not apply to data classified under paragraph (a). Paragraph (a) does not apply to data submitted by an individual to the Campaign Finance Board to meet the legal requirements imposed by chapter 10A, to data submitted for purposes of making a public comment, or to data in a state agency's rulemaking email list.

(c) Data provided under paragraph (a) may ~~only~~ be used ~~for the specific purpose for which the individual provided the data~~ by the government entity to:

(1) communicate with the individual; or

(2) perform the government entity's health, safety, or welfare functions or provide government services.

(d) If the data provided under paragraph (a) is also classified as private data on individuals by other state statute, the data may be shared or disseminated as provided in the other state statute.

(e) This section does not apply to data on an individual contained in a real property record, which is any record of data that is maintained as part of the county real estate document recording system for use by the public, data on assessments, data on real or personal property taxation, and other data on real property.

Sec. 4. Minnesota Statutes 2024, section 13.40, subdivision 2, is amended to read:

Subd. 2. **Private data; library ~~borrowers~~ patrons.** (a) Except as provided in paragraph (b), the following data maintained by a library ~~are~~ is private data on individuals and may not be disclosed ~~for~~ other than for library purposes except pursuant to a court order or section 13.05:

(1) data that link a library patron's name with materials requested or borrowed by the patron or that link a patron's name with a specific subject about which the patron has requested information or materials; ~~or~~

(2) data in applications for patron borrower cards, other than the name of the ~~borrower.~~ patron if the patron is 18 years of age or older; or

(3) the name of a patron who is a minor.

(b) A library may release reserved materials to a family member or other person who resides with a library patron and who is picking up the material on behalf of the patron. A patron may request that reserved materials be released only to the patron.

(c) Section 13.04, subdivision 2, does not apply to data classified under paragraph (a), clause (3).

Sec. 5. Minnesota Statutes 2024, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the complete terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than $10,000 of public money;

(7) work location; a work telephone number; badge number; work-related continuing education; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. Final disposition includes a resignation by an individual when

the resignation occurs after the final decision of the government entity, or arbitrator. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. A disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

(c) The government entity may display a photograph of a current or former employee to a prospective witness as part of the government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers;

(3) executive or administrative heads of departments, bureaus, divisions, or institutions within state government; and

(4) the following employees:

(i) the chief administrative officer, or the individual acting in an equivalent position, in all political subdivisions;

(ii) individuals required to be identified by a political subdivision pursuant to section 471.701;

(iii) in a city ~~with a population of more than 7,500~~ or a county ~~with a population of more than 5,000~~: managers; chiefs; heads or directors of departments, divisions, bureaus, or boards; and any equivalent position; and

(iv) in a school district: business managers; human resource directors; athletic directors whose duties include at least 50 percent of their time spent in administration, personnel, supervision, and evaluation; chief financial officers; directors; individuals defined as superintendents and principals under Minnesota Rules, part 3512.0100; and in a charter school, individuals employed in comparable positions.

(f) Data relating to a complaint or charge against an employee identified under paragraph (e), clause (4), are public only if:

(1) the complaint or charge results in disciplinary action or the employee resigns or is terminated from employment while the complaint or charge is pending; or

(2) potential legal claims arising out of the conduct that is the subject of the complaint or charge are released as part of a settlement agreement.

This paragraph and paragraph (e) do not authorize the release of data that are made not public under other law.

Sec. 6. Minnesota Statutes 2024, section 13.82, subdivision 7, is amended to read:

Subd. 7. **Criminal investigative data.** Except for the data defined in subdivisions 2, 3, and 6, investigative data collected or created by a law enforcement agency in order to prepare a case against a person, whether known or unknown, for the commission of a crime or other offense for which the agency has primary investigative responsibility are confidential or protected nonpublic while the investigation is active. Inactive investigative data are public unless the release of the data would jeopardize another ongoing investigation or would reveal the identity of individuals protected under subdivision 17. Images and recordings, including photographs, video, and audio records, which are part of inactive investigative files and which are clearly offensive to common sensibilities are classified as private or nonpublic data, provided that the existence of the images and recordings shall be disclosed to any person requesting access to the inactive investigative file. An investigation becomes inactive upon the occurrence of any of the following events:

(a) a decision by the agency or appropriate prosecutorial authority not to pursue the case;

(b) expiration of the time to bring a charge or file a complaint under the applicable statute of limitations, or 30 years after the commission of the offense, whichever comes earliest; or

(c) exhaustion of or expiration of all rights of appeal by a person convicted on the basis of the investigative data.

Any investigative data presented as evidence in court shall be public. Data determined to be inactive under clause (a) may become active if the agency or appropriate prosecutorial authority decides to renew the investigation.

During the time when an investigation is active, any person may bring an action in the district court located in the county where the data are being maintained to authorize disclosure of investigative data. The court may order that all or part of the data relating to a particular investigation be released to the public or to the person bringing the action. In making the determination as to whether investigative data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, to the agency or to any person identified in the data. The data in dispute shall be examined by the court in camera.

In cases involving a missing person who has been missing for a continuous period of 20 years, the law enforcement agency and prosecuting authority must release active criminal investigative data to the legal representative of the missing person's next of kin, upon request, if the release of the data is not prohibited under section 13.821. If the law enforcement agency or prosecuting authority reasonably believes that public dissemination of the data will interfere with the investigation, the law enforcement agency or prosecuting authority may release the data to the next of kin's legal representative on the condition that the data remain in the custody and control of a licensed attorney or a licensed private investigator and be used for investigative purposes, until the investigation is inactive.

Sec. 7. Minnesota Statutes 2024, section 13.825, subdivision 4, is amended to read:

Subd. 4. **Access by data subjects.** (a) For purposes of this chapter, a portable recording system data subject includes the peace officer who collected the data, and any other individual or entity, including any other peace officer, regardless of whether the officer is or can be identified by the recording, whose image or voice is documented in the data.

(b) An individual who is the subject of portable recording system data has access to the data, including data on other individuals who are the subject of the recording. If the individual requests a copy of the recording, data on other individuals who do not consent to its release must be redacted from the copy. The identity and activities of an on-duty peace officer engaged in an investigation or response to an emergency, incident, or request for service may not be redacted, unless the officer's identity is subject to protection under section 13.82, subdivision 17, clause (a).

(c) Notwithstanding section 13.82, subdivision 7, a person entitled to a report of a collision under section 169.09, subdivision 13, must be provided with copies of unredacted data from all portable recording systems used in the collision investigation, including data on other individuals who are the subject of the recording. A request must be made in writing and accompanied by the accident report relating to the data. Data provided under this paragraph may only be used to process a claim related to the collision or as evidence in a proceeding related to the collision. The requestor must not further disseminate the data or use the data for any other purpose. A law enforcement agency may deny a request to provide unredacted portable recording system data under this paragraph if:

(1) the agency determines there is a compelling reason that providing access to the data would interfere with an active investigation;

(2) the data is clearly offensive to common sensibilities; or

(3) the data is classified as not public by other provisions under this chapter.

If a law enforcement agency denies access under clause (1), the agency must provide a prompt, written reason for the denial to the individual who requested the data with a description of the compelling reason and must provide notice that relief may be sought from the district court under section 13.82, subdivision 7.

Sec. 8. Minnesota Statutes 2024, section 13.991, is amended to read:

13.991 JUDICIAL OFFICIAL DATA; PERSONAL INFORMATION.

(a) Subject to paragraph (b), the personal information of all judicial officials collected, created, or maintained by a government entity is private data on individuals. For purposes of this section, the terms "personal information" and "judicial official" have the meanings given in section 480.40, subdivision 1.

(b) If the responsible authority or government entity violates this chapter, the remedies and penalties under this chapter are available only if the judicial official making a claim previously provided written notification to the responsible authority confirming on a form provided by the Minnesota judicial branch that they are entitled to protection under section 480.40. If the subject of

the data is an adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under this chapter are available only if the adult child previously provided written notification to the responsible authority confirming their status as the child of a judicial official. In the case of county records, the form shall be filed with the responsible authority that maintains the personal information for which the judicial officer is seeking protection. A form submitted under this section is private data on individuals. A notice filed under this paragraph expires five years following the date of filing, unless it is renewed prior to the expiration date.

(c) ~~This section shall not apply to~~ Notwithstanding paragraph (a), section 480.50 shall govern personal information ~~contained in:~~ of all judicial officials contained in real property records, as defined in section 480.50, subdivision 1, paragraph (f).

~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(2) Uniform Commercial Code filings and tax liens maintained by the secretary of state; and~~

~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

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

Sec. 9. Minnesota Statutes 2024, section 15.17, subdivision 1, is amended to read:

Subdivision 1. **Must be kept.** All officers and agencies of the state, counties, cities, towns, school districts, municipal subdivisions or corporations, or other public authorities or political entities within the state, hereinafter "public officer," shall make and preserve all records necessary to a full and accurate knowledge of their official activities. Government records may be produced in the form of computerized records. All government records shall be made ~~on a physical medium of a~~ in a manner and quality to ~~insure~~ ensure permanent records. Every public officer is empowered to reproduce records ~~if the records are not deemed to be of permanent or archival value by the commissioner of administration and~~ but may only reproduce permanent and archival records pursuant to guidance from the state archives in consultation with the records disposition panel ~~under section 138.17~~. The public officer is empowered to reproduce these records by any ~~photographic, photostatic, microphotographic, optical disk imaging system, microfilming, or other reproduction~~ method that clearly and accurately reproduces the records. Each public officer may order that those ~~photographs, photostats, microphotographs, microfilms, optical images, or other~~ reproductions~~,~~ be substituted for the originals ~~of them~~. Records that are reproduced when so ordered by a public officer are admissible as evidence in all courts and proceedings of every kind. A certified or exemplified copy of the reproduction has the same effect and weight as evidence as would a certified or exemplified copy of the original. The public officer may direct the destruction or sale for salvage or other disposition of the originals from which they were made, in accordance with the disposition requirements of section 138.17. ~~Photographs, photostats, microphotographs, microfilms, optical images, or other reproductions are for all purposes deemed the original recording of the papers, books, documents, and records reproduced when so ordered by any public officer and are admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or certified copy of a photograph, photostat, microphotograph, microfilm, optical image, or other reproduction, or an enlargement or reduction of it, has the same effect and weight as evidence as would a certified or exemplified copy of the original.~~

Sec. 10. Minnesota Statutes 2024, section 138.17, subdivision 1, is amended to read:

Subdivision 1. **Destruction, preservation, reproduction of records; prima facie evidence.** (a) The attorney general, legislative auditor in the case of state records, state auditor in the case of local records, and director of the Minnesota Historical Society, hereinafter director, shall constitute the Records Disposition Panel. The members of the panel shall have power by majority vote to direct the destruction or sale for salvage of government records determined to be no longer of any value, or to direct the disposition by gift to the Minnesota Historical Society or otherwise of government records determined to be valuable for preservation. The Records Disposition Panel may by majority vote order any of those records to be reproduced ~~by photographic or other means,~~ and order that ~~photographic or other~~ the reproductions be substituted for the originals ~~of them~~. It may direct the destruction or sale for salvage or other disposition of the originals from which they were made. ~~Photographic or other reproductions shall for all purposes be deemed the originals of the records reproduced when so ordered by the records disposition panel, and shall be admissible as evidence in all courts and in proceedings of every kind. A facsimile, exemplified or certified copy of a photographic, optical disk imaging, or other reproduction, or an enlargement or reduction of it, shall have the same effect and weight as evidence as would a certified or exemplified copy of the original.~~ Records that are reproduced when so ordered by the Records Disposition Panel are admissible as evidence in all courts and proceedings of every kind. A certified or exemplified copy of the reproduction has the same effect and weight as evidence as would a certified or exemplified copy of the original. The Records Disposition Panel, by majority vote, may direct the storage of government records, except as herein provided~~, and direct the storage of photographic or other reproductions~~. ~~Photographic or other~~ Reproductions substituted for original records shall be disposed of in accordance with the procedures provided for the original records.

(b) For the purposes of this chapter:

(1) the term "government records" means state and local records, including all cards, correspondence, discs, maps, memoranda, microfilms, papers, photographs, recordings, reports, tapes, writings, optical disks, and other data, information, or documentary material, regardless of physical form or characteristics, storage media or conditions of use, made or received by an officer or agency of the state and an officer or agency of a county, city, town, school district, municipal subdivision or corporation or other public authority or political entity within the state pursuant to state law or in connection with the transaction of public business by an officer or agency;

(2) the term "state record" means a record of a department, office, officer, commission, commissioner, board or any other agency, however styled or designated, of the executive branch of state government; a record of the state legislature; a record of any court, whether of statewide or local jurisdiction; and any other record designated or treated as a state record under state law;

(3) the term "local record" means a record of an agency of a county, city, town, school district, municipal subdivision or corporation or other public authority or political entity;

(4) the term "records" excludes data and information that does not become part of an official transaction, library and museum material made or acquired and kept solely for reference or exhibit purposes, extra copies of documents kept only for convenience of reference and stock of publications and processed documents, and bonds, coupons, or other obligations or evidences of indebtedness, the destruction or other disposition of which is governed by other laws; and

(5) the term "state archives" means those records preserved or appropriate for preservation as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of government or because of the value of the information contained in them, when determined to have sufficient historical or other value to warrant continued preservation by the state of Minnesota and accepted for inclusion in the collections of the Minnesota Historical Society.

(c) If the decision is made to dispose of records by majority vote, the Minnesota Historical Society may acquire and retain whatever they determine to be of potential historical value.

Sec. 11. Minnesota Statutes 2024, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the ~~end of the last criminal appeal of a subject of an investigation.~~ case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 12. Minnesota Statutes 2024, section 480.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section and section 480.45, the following terms have the meanings given.

(b) "Judicial official" means:

(1) every Minnesota district court judge, senior judge, retired judge, and every judge of the Minnesota Court of Appeals and every active, senior, recalled, or retired federal judge who resides in Minnesota;

(2) a justice of the Minnesota Supreme Court;

(3) employees of the Minnesota judicial branch;

(4) judicial referees and magistrate judges; and

(5) current and retired judges and current employees of the Office of Administrative Hearings, Workers' Compensation Court of Appeals, and Tax Court.

(c) "Personal information" does not include publicly available information. Personal information means:

(1) a residential address of a judicial official;

(2) a residential address of the spouse, domestic partner, or children of a judicial official;

(3) a nonjudicial branch issued telephone number or email address of a judicial official;

(4) the name of any child of a judicial official; and

(5) the name of any child care facility or school that is attended by a child of a judicial official if combined with an assertion that the named facility or school is attended by the child of a judicial official.

(d) "Publicly available information" means information that is lawfully made available through federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a judicial official, or by a person to whom the judicial official has disclosed the information, unless the judicial official has restricted the information to a specific audience.

(e) "Law enforcement support organizations" do not include charitable organizations.

(f) "Real property records" has the meaning given in section 480.50, subdivision 1, paragraph (f).

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

Sec. 13. Minnesota Statutes 2024, section 480.40, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) Subdivision 2 ~~does~~ and section 480.50 do not apply to:

(1) the dissemination of personal information if the information is relevant to and displayed as part of a news story, commentary, editorial, or other speech on a matter of public concern;

(2) personal information that the judicial official voluntarily disseminates publicly after August 1, 2024;

(3) the dissemination of personal information made at the request of the judicial official or which is necessary to effectuate the request of a judicial official;

(4) a commercial entity using personal information internally, providing access to businesses under common ownership or affiliated by corporate control, or selling or providing data for a transaction or service requested by or concerning the individual whose personal information is being transferred;

(5) a commercial entity providing publicly available information through real-time or near real-time alert services for health or safety purposes;

(6) a commercial entity engaged in the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency, furnisher, or user that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that such activity is regulated by and authorized under the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(7) a consumer reporting agency subject to the federal Fair Credit Reporting Act, United States Code, title 15, section 1681, et seq.;

(8) a commercial entity using personal information collected, processed, sold, or disclosed in compliance with the federal Driver's Privacy Protection Act of 1994, United States Code, title 18, section 2721, et seq.;

(9) a commercial entity using personal information to do any of the following: prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity or security of systems; or investigate, report, or prosecute any person responsible for any such action;

(10) a financial institution, affiliate of a financial institution, or data subject to title V of the federal Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.;

(11) a covered entity or business associate for purposes of the federal privacy regulations promulgated under the federal Health Insurance Portability and Accountability Act of 1996, specifically United States Code, title 42, section 1320d-2 note;

(12) insurance and insurance support organizations;

(13) law enforcement agencies or law enforcement support organizations and vendors that provide data support services to law enforcement agencies;

(14) the display of a property address on a real estate or mapping platform when the address is not displayed or disclosed in connection with any ownership or occupancy information or other personal identifying information of a judicial official; and

~~(14)~~ (15) the collection and sale or licensing of covered information incidental to conducting the activities described in clauses (4) to ~~(13)~~ (14)~~; and~~.

~~(15) personal information contained in:~~

~~(i) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(ii) uniform commercial code filings and tax liens maintained by the secretary of state; and~~

~~(iii) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

(b) Subdivision 2 does not apply to personal information of judicial officials collected, created, or maintained in real property records.

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

Sec. 14. Minnesota Statutes 2024, section 480.45, subdivision 2, is amended to read:

Subd. 2. **Removal of personal information; exception.** (a) Upon receipt of an affidavit requesting removal of the personal information of a judicial official that meets the requirements of subdivision 1, the person, business, association, or government entity shall remove the publicly posted personal information within 30 days. If the person, business, association, or government entity fails to remove the publicly posted personal information within 30 days after an affidavit is submitted, the judicial official may file a civil action in a court of competent jurisdiction seeking a court order compelling compliance, including injunctive and declarative relief.

(b) Paragraph (a) shall not apply to personal information disseminated directly by a government entity contained in~~:~~ real property records, as defined in section 480.50, subdivision 1, paragraph (f).

~~(1) real property records as defined in section 13.045, subdivision 1, clause (5);~~

~~(2) uniform commercial code filings and tax liens maintained by the secretary of state; and~~

~~(3) any other records maintained by a government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.~~

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

Sec. 15. **[480.50] PERSONAL INFORMATION IN REAL PROPERTY RECORDS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1, clause (4).

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Judicial official" has the meaning given in section 480.40, subdivision 1, paragraph (b), except that it does not include employees of the Minnesota judicial branch, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Tax Court.

(e) "Personal information" has the meaning given in section 480.40, subdivision 1, paragraph (c).

(f) "Real property records" means any of the following:

(1) real property records as defined in section 13.045, subdivision 1, clause (5);

(2) Uniform Commercial Code filings and tax liens maintained by the secretary of state; and

(3) any other records maintained by a county recorder or other government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

(g) "Responsible authority" has the meaning given in section 13.02, subdivision 16.

Subd. 2. **Classification of data.** (a) Subject to the provisions of this section, the personal information of all judicial officials collected, created, or maintained in real property records is private data on individuals, as defined in section 13.02, subdivision 12.

(b) If the responsible authority or government entity violates this section, the remedies and penalties under chapter 13 are available only if the judicial official making a claim previously provided a real property notice that complies with subdivision 3. If the subject of the data is the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the remedies and penalties under chapter 13 are available only if the spouse, domestic partner, or adult child previously provided a notification under subdivision 3 to the responsible authority confirming their status as the spouse, domestic partner, or adult child of a judicial official. In the case of county records, the notification shall be filed with the responsible authority that maintains the personal information for which protection is sought. A notification submitted under this section is private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 3. **Notification.** (a) For the classification in subdivision 2 to apply to personal information in real property records, a judicial official must submit a real property notice in writing to the county recorder in the county where the property identified in the real property notice is located and to the Office of the Secretary of State. To affect real property records maintained by any other government entity, a judicial official must submit a real property notice in writing to the other government entity's responsible authority. If the personal information is that of the spouse, domestic partner, or adult child of a judicial official who does not reside with the judicial official, the spouse, domestic partner, or adult child must submit a real property notice. The real property notice is classified as private data on individuals, as defined in section 13.02, subdivision 12. A real property notice must be on a form provided by the judicial branch and must include:

(1) the full legal name of the individual submitting the form;

(2) the last four digits of the individual's Social Security number;

(3) the individual's date of birth;

(4) the individual's telephone number and email address;

(5) the residential address of the individual in Minnesota;

(6) the legal description, parcel identification number, and street address, if any, of the real property affected by the notice; and

(7) a certification that the individual is a judicial official or the spouse, domestic partner, or adult child of a judicial official that contains the notarized signature of the individual.

(b) A notice submitted by a judicial official employed by the state must include the employer's business address and a verification of current employment signed by the employer's human resources office.

(c) A notice submitted pursuant to this subdivision by a spouse, domestic partner, or adult child of a judicial official not residing with the judicial official must include a notarized verification that the individual is the spouse, domestic partner, or adult child of a judicial official.

(d) Only one parcel of real property may be included in each notice, but an individual may submit more than one notice. A government entity may require an individual to provide additional information necessary to identify the records or the real property described in the notice. An individual submitting a notice must submit a new real property notice if their legal name changes.

Subd. 4. **Access to real property records.** (a) If an individual submits a notice under subdivision 3, the county recorder or other government entity must not disclose the individual's personal information in conjunction with the property identified in the written notice, unless:

(1) the individual has consented to sharing or dissemination of the personal information for the purpose identified in a writing signed by the individual and acknowledged by a notary public;

(2) the personal information is subject to dissemination pursuant to a court order under section 13.03, subdivision 6;

(3) the personal information is shared with a government entity for the purpose of administering assessment and taxation laws;

(4) the personal information is disseminated pursuant to subdivision 5; or

(5) the personal information is shared with the examiner of titles or deputy examiner as necessary to perform their statutory duties under chapters 508 and 508A, including the dissemination of personal information in reports of examiner.

(b) This subdivision does not prevent the county recorder from returning original documents to the person who submitted the documents for recording. Each county recorder shall establish procedures for recording documents to comply with this subdivision. These procedures may include masking personal information and making documents or certificates of title containing the personal information private and not viewable, except as allowed by this paragraph. The procedure must comply with the requirements of chapters 386, 507, 508, and 508A, and other laws as appropriate, to the extent these requirements do not conflict with this section. The procedures must provide public notice of the existence of recorded documents and certificates of title that are not publicly viewable and the provisions for viewing them under this subdivision. Notice that a document or certificate is private and viewable only under this subdivision or subdivision 5 is deemed constructive notice of the document or certificate.

(c) A real property notice submitted under subdivision 3 shall apply retroactively to all online and digital real property records, except digitized or scanned images of tract pages and books, but only to the extent the individual submitting the notice provides the parcel identification number, document number, or certificate of title number of each record for which protection is sought. Otherwise, paragraph (a) applies only to the real property records recorded or filed concurrently with the real property notice specified in subdivision 3 and to real property records affecting the same real property recorded subsequent to the county recorder or other government entity's receipt of the real property notice.

(d) The county recorder or other government entity shall have 60 days from the date of receipt of a real property notice under subdivision 3 to process the request. If the individual cites exigent circumstances, the county recorder or other government entity shall process the request as soon as practicable.

(e) The prohibition on disclosure in paragraph (a) continues until:

(1) the individual has consented to the termination of the real property notice in a writing signed by the individual and acknowledged by a notary public;

(2) the real property notice is terminated pursuant to a court order;

(3) the individual no longer holds a record interest in the real property identified in the real property notice;

(4) the individual is deceased and a certified copy of the death certificate has been filed with the county recorder or other government entity to which a notice under subdivision 3 was given; or

(5) the judicial official no longer qualifies as a judicial official. Notification that the judicial official no longer qualifies as a judicial official must be given by the judicial official to each county recorder or other government entity to which a notice under subdivision 3 was given within 90 days after the judicial official no longer qualifies as a judicial official.

(f) Upon termination of the prohibition of disclosure, the county recorder shall make publicly viewable all documents and certificates of title that were previously partially or wholly private and not viewable pursuant to a notice filed under subdivision 3.

Subd. 5. **Access to personal information in real property records; title examination.** (a) Upon request, the individual who submitted the real property under notice under subdivision 3 shall verify that the individual's real property is the property subject to a bona fide title exam.

(b) The county recorder or other government entity shall provide the unredacted real property records of an individual who submitted a real property notice under subdivision 3 upon request of any of the following persons:

(1) a licensed title insurance company representative, a licensed title insurance agent, a licensed abstractor, or an attorney licensed to practice law in Minnesota;

(2) a mortgage loan originator;

(3) a real estate broker or a real estate salesperson; and

(4) an individual or entity that has made or received an offer for the purchase of real property to or from an individual who submitted a real property notice under subdivision 3 whose address is subject to nondisclosure, provided the request is accompanied by a written consent from the individual.

(c) A request made under paragraph (a) or (b) must be made on a notarized form and include:

(1) the full legal name, title, address, and place of employment, if applicable, of the person requesting the real property records;

(2) the lawful purpose for requesting the real property records;

(3) the requestor's relationship, if any, to the individual who submitted a real property notice under subdivision 3;

(4) the legal description of the property subject to the title examination; and

(5) proof of the requestor's licensure.

(d) Personal information provided under this subdivision may be used only for the purposes authorized in this subdivision or the lawful purposes set forth in the request for disclosure form and may not be further disseminated to any other person. However, the dissemination of personal information in real property records by a licensed attorney or any employees in the office of the licensed attorney is permitted when reasonably necessary for the provision of legal services.

Subd. 6. **Service fees to county recorder or other government entity.** The county recorder or any other government entity is authorized to charge the following service fees:

(1) up to $40 for each real property notice under subdivision 3;

(2) up to $40 for each consent submitted under subdivision 4, paragraphs (a), clause (1), and (e), clause (1); and

(3) up to $40 for each request submitted under subdivision 5.

These service fees shall not be considered county recorder fees under section 357.18 or registrar of titles fees under section 508.82 or 508A.82 and shall be deposited into the county recorder or other government entity's general fund.

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

ARTICLE 12

MINNESOTA BUSINESS CORPORATION ACT

Section 1. Minnesota Statutes 2024, section 302A.011, subdivision 41, is amended to read:

Subd. 41. **Beneficial owner; beneficial ownership.** (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise, has or shares the power to vote, or direct the voting of, the shares or securities or has or shares the power to dispose of, or direct the disposition of, the shares or securities, except that:

(1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange; and

(2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is not then reportable under that act on a Schedule 13D or comparable report, or, if the corporation is not subject to the

rules and regulations under the Securities Exchange Act of 1934, would have been required to be made and would not have been reportable if the corporation had been subject to the rules and regulations.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person ~~shall be~~ is deemed the beneficial owner of shares and securities beneficially owned by: (1) any relative or spouse of the person or any relative of the spouse, residing in the home of the person~~,~~; (2) any trust or estate in which the person (i) owns ten percent or more of the total beneficial interest of the trust or estate, or (ii) serves as trustee or executor or in a similar fiduciary capacity~~,~~ for the trust or estate; (3) any organization in which the person owns ten percent or more of the equity~~,~~; and (4) any affiliate of the person.

(c) When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.

Sec. 2. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 72. **Defective corporate act.** "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or an act or transaction purportedly taken by or on behalf of the corporation that is and, at the time the act or transaction was purportedly taken, would have been within the corporation's power under section 302A.101 but is void or voidable due to a failure of authorization.

Sec. 3. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 73. **Emergency.** "Emergency" means a situation during which it is impracticable for the corporation to conduct the corporation's affairs in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given as a result of a catastrophic event or condition, including but not limited to an act of nature, an epidemic or pandemic, a technological failure or malfunction, a terrorist incident or an act of war, a cyber attack, a civil disturbance, or a governmental authority's emergency declaration.

Sec. 4. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 74. **Failure of authorization.** "Failure of authorization" means the failure: (1) to authorize or effect an act or transaction in compliance with (i) this chapter, (ii) the articles or bylaws, (iii) any plan or agreement to which the corporation is a party, or (iv) the disclosure set forth in any proxy or consent solicitation statement, if and to the extent the failure renders the act or transaction void or voidable; or (2) of the board or an officer to authorize or approve an act or transaction taken by or on behalf of the corporation that requires board or officer approval for the act or transaction's due authorization.

Sec. 5. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 75. **Overissue.** "Overissue" means the purported issuance of: (1) shares of a class or series in excess of the number of shares of the class or series the corporation has the power under the articles to issue under section 302A.401, subdivision 1, at the time of the issuance; or (2) shares of any class or series that are not then authorized for issuance by the articles.

Sec. 6. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 76. **Putative shares.** "Putative shares" means shares, including shares issued upon exercise of rights to purchase, in each case, that were created or issued pursuant to a defective corporate act, that: (1) but for a failure of authorization, would constitute valid shares; or (2) the board is unable to determine are valid shares.

Sec. 7. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 77. **Time of defective corporate act.** "Time of defective corporate act" means the date and time at which the defective corporate act was purportedly taken.

Sec. 8. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 78. **Validation effective time.** "Validation effective time," with respect to a defective corporate act ratified under section 302A.166 or 302A.167, means the latest of:

(1) the time when a defective corporate act submitted to shareholders for approval under section 302A.166, subdivision 4, is approved by shareholders or, if no vote of the shareholders is required to approve the ratification of the defective corporate act, immediately following the time when the board adopts the resolutions required under section 302A.166, subdivision 2 or 3;

(2) if no certificate of validation must be filed under section 302A.166, subdivision 6, the time, if any, specified by the board of directors in the resolutions adopted under section 302A.166, subdivision 2 or 3, provided the time specified by the board of directors does not precede the time when the resolutions are adopted; or

(3) the time when any certificate of validation filed under section 302A.166, subdivision 6, is filed with the secretary of state.

Sec. 9. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 79. **Valid shares.** "Valid shares" means shares that have been duly authorized and validly issued as required under this chapter.

Sec. 10. Minnesota Statutes 2024, section 302A.111, subdivision 2, is amended to read:

Subd. 2. **Statutory provisions that may be modified only in articles or in a shareholder control agreement.** The following provisions govern a corporation unless modified in the articles or in a shareholder control agreement under section 302A.457:

(a) a corporation has general business purposes (section 302A.101);

(b) a corporation has perpetual existence and certain powers (section 302A.161);

(c) the power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) a corporation must allow cumulative voting for directors (section 302A.215, subdivision 2);

(e) the affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) a written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) the board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) all shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) all shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) the par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) the board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends, divisions, or combinations, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends, divisions, or combinations, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) a corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) a shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a plurality of the votes cast (section 302A.215, subdivision 1) or a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3);

(r) a corporation may issue shares for a consideration less than the par value, if any, of the shares (section 302A.405, subdivision 2);

(s) the board may effect share dividends, divisions, and combinations under certain circumstances without shareholder approval (section 302A.402);

(t) a written action of shareholders must be signed by all shareholders (section 302A.441);

(u) specified amendments of the articles create dissenters' rights (section 302A.471, subdivision 1, clause (a)); ~~and~~

(v) shareholders are entitled to vote as a class or series upon proposed amendments to the articles in specified circumstances (section 302A.137)~~.~~; and

(w) the corporation's business and affairs must be managed by or under the board's direction (section 302A.201).

Sec. 11. Minnesota Statutes 2024, section 302A.161, is amended by adding a subdivision to read:

Subd. 23a. **Emergency powers.** (a) During an emergency, unless emergency bylaws provide otherwise:

(1) notice of a meeting of the board must be given only to the directors that are practicable to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency, be given in any practicable manner; and

(2) the officers designated on a list approved by the board of directors before the emergency, in the priority order and subject to conditions as may be provided in the board resolution approving the list, must, to the extent required to provide a quorum at any meeting of the board, be deemed directors for the meeting.

(b) During an emergency that makes it impracticable to convene a meeting of shareholders in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given, unless emergency bylaws provide otherwise, the board may postpone a meeting of shareholders for which notice has been given or authorize shareholders to participate in a meeting by any means of remote communication that conforms with section 302A.436. The corporation must give notice to shareholders, by the means and with shorter advance notice as are reasonable in the circumstances, of a postponement, including any new date, time, or place, and describe any means of remote communication to be used. The notice to shareholders by a publicly held corporation may be given solely by means of a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the rules and regulations under the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(c) A corporate action taken in good faith under this subdivision during an emergency to further the business and affairs of the corporation binds the corporation.

Sec. 12. **[302A.166] DEFECTIVE CORPORATE ACTS AND SHARES; RATIFICATION.**

Subdivision 1. **Effect of ratification or validation.** Subject to subdivision 7, a defective corporate act or putative share is not void or voidable solely as a result of a failure of authorization if the defective corporate act or putative share is ratified under this section or validated by a court in a proceeding brought under section 302A.167.

Subd. 2. **Board approval; generally.** (a) In order to ratify one or more defective corporate acts under this section other than ratifying an election of the first board under subdivision 3, the board must adopt resolutions stating:

(1) the defective corporate act or acts to be ratified;

(2) the date of each defective corporate act or acts;

(3) if the defective corporate act or acts involved the issuance of putative shares, the number and type of putative shares issued and the date or dates when the putative shares were purported to have been issued;

(4) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(5) that the board approves ratification of the defective corporate act or acts.

(b) The resolutions also may provide that, at any time before the validation effective time in respect of a defective corporate act set forth in the resolutions, notwithstanding the approval of the ratification of the defective corporate act by shareholders, the board may abandon the ratification of the defective corporate act without further action of the shareholders.

(c) The quorum and voting requirements that apply to the board's ratification of any defective corporate act must be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act. If the articles or bylaws, any plan or agreement to which the corporation was a party, or any provision of this chapter, in each case as in effect as of the time of the defective corporate act, require a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, the larger number or portion of the directors or the specified directors must be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable; except that the presence or approval of a director elected, appointed, or nominated by holders of any class or series of which no shares are outstanding at the time the board adopts the resolutions ratifying the defective corporate act, or by any person that is no longer a shareholder at the time the board adopts the resolutions ratifying the defective corporate act, is not required.

Subd. 3. **Board approval; election of first board.** To ratify a defective corporate act in respect of the election of the first board under section 302A.201, subdivision 1, a majority of the persons who, at the time the resolutions required by this subdivision are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(1) the name of the person or persons who first took action in the name of the corporation as the first board;

(2) the earlier of the date on which the persons first took the action or were purported to have been elected as the first board; and

(3) that the ratification of the election of the person or persons as the first board is approved.

Subd. 4. **Shareholder approval; when required.** A defective corporate act ratified under subdivision 2 must be submitted to shareholders for approval under subdivision 5, unless:

(1)(i) no other provision of this chapter, and no provision of the articles or bylaws, or of any plan or agreement to which the corporation is a party, requires shareholder approval of the defective corporate act to be ratified, either at the time of the defective corporate act or at the time the board adopts the resolutions ratifying the defective corporate act under subdivision 2, and (ii) the defective corporate act did not result from a failure to comply with section 302A.673; or

(2) as of the adoption of the resolutions of the board under subdivision 2, there are no valid shares outstanding and entitled to vote thereon, regardless of whether there then exist any putative shares.

Subd. 5. **Shareholder approval; process.** (a) If the ratification of a defective corporate act must be submitted to shareholders for approval under subdivision 4, notice of the meeting must be given in the manner set forth in section 302A.435 to each holder of valid shares and putative shares, whether voting or nonvoting.

(b) The notice under this subdivision must be given as follows:

(1) in the case of a defective corporate act that did not involve the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the corporation's records; or

(2) in the case of a defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the record date for notice of or voting at the meeting, the record date for written action, or the record date for the other action, as the case may be, other than holders whose identities or addresses cannot be determined from the corporation's records.

(c) The notice must contain a copy of the resolutions adopted by the board under subdivision 2 or the information required by subdivision 2, paragraph (a), clauses (1) to (5). The notice must include a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the applicable validation effective time.

(d) At the meeting, the quorum and voting requirements that apply to ratification of the defective corporate act must be the same quorum and voting requirements that apply to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) if the articles or bylaws, a plan or agreement to which the corporation was a party, or a provision under this chapter in effect as of the time of the defective corporate act requires a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of the larger number or portion of stock or of the class or series thereof or of the specified shareholders must be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required; and

(2) the approval by shareholders of the ratification of a director's election requires the affirmative vote of a plurality of shares present at the meeting and entitled to vote on the election of the director in the manner set forth in section 302A.215, except that, if the articles or bylaws then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect the director, the affirmative vote of the larger number or portion of shares or of any class or series thereof or of the specified shareholders must be required to ratify the election of the director; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required.

(e) Putative shares, measured as of the adoption by the board of resolutions under subdivision 2 and without giving effect to any ratification that becomes effective after the adoption, are neither entitled to vote nor counted for quorum purposes in a vote to ratify a defective corporate act.

Subd. 6. **Certificate of validation.** (a) If a defective corporate act ratified under this section requires under any other section of this chapter a certificate to be filed with the secretary of state, and either (1) the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, or (2) a certificate was not previously filed with respect to the defective corporate act, the corporation must file with the secretary of state a certificate of validation with respect to the defective corporate act in lieu of filing the certificate otherwise required by this chapter.

(b) A separate certificate of validation is required for each defective corporate act that requires the filing of a certificate of validation under this section, except that (1) two or more defective corporate acts may be included in a single certificate of validation if the corporation filed with the secretary of state, or to comply with this chapter would have filed with the secretary of state, a single certificate under another provision of this chapter to effect the acts, and (2) two or more overissues of shares, or of any class or series of shares, may be included in a single certificate of validation; provided that the increase in the number of authorized shares, or of each class or series, set forth in the certificate of validation is effective on the date of the first overissue.

(c) The certificate of validation must set forth:

(1) that the corporation has ratified one or more defective corporate acts that would have required filing with the secretary of state of a certificate under this chapter;

(2) that each defective corporate act has been ratified in accordance with this section; and

(3) the following information:

(i) if a certificate was previously filed with the secretary of state under this chapter with respect to the defective corporate act and the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, the certificate of validation must set forth:

(A) the name, title, and filing date of the certificate previously filed and any certificate of correction to the certificate previously filed;

(B) a statement that a certificate containing all of the information that must be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(C) the date and time that the certificate is deemed effective pursuant to this section; or

(ii) if a certificate was not previously filed with the secretary of state under this chapter in respect of the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of this chapter the filing with the secretary of state of a certificate, the certificate of validation shall set forth:

(A) a statement that a certificate containing all of the information required to be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(B) the date and time that the certificate shall be deemed to have become effective pursuant to this section.

(d) A certificate attached to a certificate of validation need not be separately executed and acknowledged and need not include a statement required by another section under this chapter that the instrument has been approved and adopted in accordance with the provisions of the other section under this chapter.

Subd. 7. **Retroactive effect.** From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 302A.167, subject to subdivision 5, paragraph (e):

(1) each defective corporate act ratified in accordance with this section is no longer deemed void or voidable as a result of the failure of authorization described in the resolutions adopted under subdivision 2, effective retroactively from the time of the defective corporate act; and

(2) each share or fraction of a share of putative shares issued or purportedly issued pursuant to the defective corporate act is no longer deemed void or voidable, and is deemed to be an identical outstanding share or fraction of an outstanding share as of the time the share or fraction of a share was purportedly issued.

Subd. 8. **Postratification notice.** (a) Except as provided under paragraph (b), with respect to each defective corporate act ratified by the board under subdivision 2 or 3, prompt notice of the ratification must be given to all shareholders of valid shares and putative shares, whether voting or

nonvoting, as of the date the board adopts the resolutions approving the defective corporate act, or as of a date within 60 days after the date of adoption, as established by the board. The notice must be sent to the address of the holder as the address appears or most recently appeared, as appropriate, on the corporation's records. The notice must be given to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice must contain a copy of the resolutions adopted under subdivision 2 or the information specified under subdivision 2, paragraph (a), clauses (1) to (5), or subdivision 3, clauses (1) to (3), as applicable, and a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the latter of the validation effective time or the time at which the notice required by this subdivision is given.

(b) Notice is not required if notice of the ratification of the defective corporate act is given in accordance with subdivision 5 and, in the case of a corporation that has a class of shares listed on a national securities exchange, the notice required by this subdivision and subdivision 5 may be deemed given if disclosed in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to section 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended, United States Code, title 15, section 78a, et seq., and rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, or the corresponding provisions of any subsequent United States securities laws, rules, or regulations.

(c) If a defective corporate act has been approved by shareholders acting pursuant to section 302A.441, the notice required by this subdivision may be included in a notice required under section 302A.441, subdivision 3. If the notice is given under section 302A.441, the notice must be sent to the shareholders entitled to the notice under section 302A.441, subdivision 3, and to all holders of valid shares and putative shares to whom notice is required under this subdivision if the defective corporate act had been approved at a meeting and the record date for determining the shareholders entitled to notice of the meeting had been the date for determining the shareholders entitled to notice under paragraph (a) other than any shareholder who approved the written action in lieu of a meeting under section 302A.441 or any holder of putative shares who otherwise consented thereto in writing.

(d) For purposes of this subdivision and subdivision 5 only, notice to holders of putative shares, and notice to holders of valid shares and putative shares as of the time of the defective corporate act, is treated as notice to holders of valid shares for purposes of sections 302A.435 and 302A.441.

Sec. 13. **[302A.167] VALIDITY OF DEFECTIVE CORPORATE ACTS AND SHARES; PROCEEDINGS.**

Subdivision 1. **When permitted.** Subject to subdivision 5, upon application by the corporation, a successor entity to the corporation, a member of the board, a shareholder or beneficial owner of valid shares or putative shares, a shareholder or beneficial owner of valid shares or putative shares as of the time of a defective corporate act ratified pursuant to section 302A.166, or other person claiming to be substantially and adversely affected by a ratification pursuant to section 302A.166, a court may:

(1) determine the validity and effectiveness of any defective corporate act ratified pursuant to section 302A.166;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 302A.166;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 302A.166;

(4) determine the validity of any corporate act or transaction and any shares or rights to purchase; and

(5) modify or waive any of the procedures set forth in section 302A.166 to ratify a defective corporate act.

Subd. 2. **Remedies.** In connection with an action under this section, a court may:

(1) declare that a ratification under section 302A.166 is not effective or is only effective at a time or upon conditions established by the court;

(2) validate and declare effective a defective corporate act or putative shares and impose conditions upon the court's validation;

(3) require measures to remedy or avoid harm to a person substantially and adversely affected by a ratification under section 302A.166 or from a court order pursuant to this section, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective time specified by the court, which may be before or after the time of the order, provided that the filing date of the instrument must be determined in accordance with section 302A.011, subdivision 11;

(5) approve a share register for the corporation that includes any shares ratified or validated in accordance with this section or section 302A.166;

(6) declare that putative shares are valid shares or require a corporation to issue and deliver valid shares in place of any putative shares;

(7) order a meeting of holders of valid shares or putative shares and determine the right and power of persons claiming to hold valid shares or putative shares to vote at the ordered meeting;

(8) declare that a defective corporate act validated by a court is effective as of the time of the defective corporate act or at another time the court may determine;

(9) declare that putative shares validated by a court shall be deemed to be an identical share or fraction of a valid share as of the time originally issued or purportedly issued or at such other time as the court may determine; and

(10) make other orders regarding matters as the court deems proper under the circumstances.

Subd. 3. **Service.** Service of the application under subdivision 1 upon the registered agent of the corporation is deemed to be service upon the corporation, and no other party needs to be joined in order for a court to adjudicate the matter. In an action filed by the corporation, a court may require notice of the action be provided to other persons specified by the court and permit the other persons to intervene in the action.

Subd. 4. **Considerations.** In connection with resolving matters pursuant to subdivisions 1 and 2, a court may consider the following:

(1) whether the defective corporate act was originally approved or effectuated with the good faith belief that the approval or effectuation was in compliance with the provisions of this chapter, the articles, or the bylaws;

(2) whether the corporation and board have treated the defective corporate act as a valid act or transaction and whether a person has acted in reliance on the public record that the defective corporate act was valid;

(3) whether any person may be or was harmed by the ratification or validation of the defective corporate act, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person is harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

Subd. 5. **Statute of limitations.** An action asserting that (1) a defective corporate act or putative shares ratified in accordance with section 302A.166 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 302A.166, subdivision 2 or 3, or (2) a court should declare in its discretion that a ratification in accordance with section 302A.166 not be effective or be effective only on certain conditions, is prohibited from being brought after the expiration of 120 days from the later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 302A.166, subdivision 8, is given with respect to the ratification; except that this subdivision does not apply to an action asserting that a ratification was not accomplished in accordance with section 302A.166 or to any person to whom notice of the ratification was required to have been given pursuant to 302A.166, subdivision 5 or 8, but to whom the notice was not given.

Sec. 14. Minnesota Statutes 2024, section 302A.181, is amended by adding a subdivision to read:

Subd. 4. **Emergency bylaws.** (a) Unless the articles provide otherwise, bylaws may contain provisions that are effective only during an emergency. The emergency bylaws may contain provisions necessary to manage the corporation during the emergency, including:

(1) procedures for calling a meeting of the board;

(2) quorum requirements for the meeting;

(3) designation of additional or substitute directors; and

(4) procedures for the board to determine the duration of an emergency.

(b) All provisions of the regular bylaws that are not inconsistent with the emergency bylaws remain effective during the emergency.

(c) Corporate action taken in good faith in accordance with the emergency bylaws binds the corporation.

Sec. 15. Minnesota Statutes 2024, section 302A.201, subdivision 1, is amended to read:

Subdivision 1. **Board to manage.** The business and affairs of a corporation shall be managed by or under the direction of a board, subject to the provisions of subdivision 2 and section 302A.457, and except as may be otherwise provided in the articles. If a provision is made in the articles: (1) the powers and duties conferred or imposed upon the board of directors by this chapter must be exercised or performed to the extent and by the natural persons provided in the articles; (2) the directors have no duties, liabilities, or responsibilities as directors under this chapter with respect to or arising from the exercise or performance of, or from the failure to exercise or perform, the conferred or imposed powers and duties by the other persons; and (3) the other persons have all of the duties, liabilities, and responsibilities of directors under this chapter with respect to and arising from the exercise or performance of, or the failure to exercise or perform, the conferred or imposed powers and duties. The members of the first board may be named in the articles or elected by the incorporators pursuant to section 302A.171 or by the shareholders.

Sec. 16. Minnesota Statutes 2024, section 302A.237, is amended by adding a subdivision to read:

Subd. 3. **Agreements and other instruments; authorization.** When this chapter requires the board to approve or to take other action with respect to an agreement, instrument, plan, or document, the agreement, instrument, plan, or document may be approved by the board in final form or in substantially final form. If the board acts to approve or take other action with respect to an agreement, instrument, plan, or document that this chapter requires to be filed with the secretary of state or referenced in any certificate filed, the board may, at any time after providing the approval or taking other action and prior to the effectiveness of the filing with the secretary of state, adopt a resolution ratifying the agreement, instrument, plan, or document. The ratification under this subdivision is effective as of the time of the original approval or other action by the board and to satisfy any requirement under this chapter that the board approve or take other action with respect to the agreement, instrument, plan, or document in a specific manner or sequence.

Sec. 17. Minnesota Statutes 2024, section 302A.361, is amended to read:

302A.361 STANDARD OF CONDUCT.

Subdivision 1. **Standard; liability.** An officer shall discharge the duties of an office in good faith, in a manner the officer reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been an officer of the corporation. A person exercising the principal functions of an office or to

whom some or all of the duties and powers of an office are delegated pursuant to section 302A.351 is deemed an officer for purposes of this section and sections 302A.467 and 302A.521.

Subd. 2. **Liability; elimination or limitation.** The articles of a corporation may provide that an officer's personal liability to the shareholders for monetary damages for breach, during the time the corporation is a publicly held corporation, of fiduciary duty as an officer may be eliminated or limited. The articles must not eliminate or limit the liability of an officer:

(1) for any breach of the officer's duty of loyalty to the corporation or the corporation's shareholders;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) under section 80A.76;

(4) for any transaction from which the officer derived an improper personal benefit;

(5) in any action by or in the right of the corporation; or

(6) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.

Sec. 18. Minnesota Statutes 2024, section 302A.461, subdivision 4, is amended to read:

Subd. 4. **Right to inspect.** (a) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time, and the corporation shall make available within ten days after receipt by an officer of the corporation of the written demand:

(1) the share register; and

(2) all documents referred to in subdivision 2.

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate demonstrates a proper purpose for the examination.

(c) A shareholder, beneficial owner, or a holder of a voting trust certificate of a publicly held corporation has, upon written demand stating the purpose and acknowledged or verified in the manner provided in chapter 358, a right at any reasonable time to examine and copy the corporation's share register and other corporate records reasonably related to the stated purpose and described with reasonable particularity in the written demand upon demonstrating the stated purpose to be a proper purpose. The acknowledged or verified demand must be directed to the corporation at its registered office in this state or at its principal place of business.

(d) For purposes of this section, a "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.

(e) If a corporation or an officer or director of the corporation violates this section, a court in Minnesota may, in an action brought by a shareholder, beneficial owner, or a holder of a voting trust certificate of the corporation, specifically enforce this section and award expenses, including attorney fees and disbursements, to the shareholder, beneficial owner, or a holder of a voting trust certificate.

Sec. 19. Minnesota Statutes 2024, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. **Actions creating rights.** A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) unless otherwise provided in the articles, an amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be excluded or limited through the authorization or issuance of securities of an existing or new class or series with similar or different voting rights; except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section; ~~or~~

(5) eliminates the right to obtain payment under this subdivision; or

(6) pursuant to section 302A.201, subdivision 1, diminishes or abolishes the board's right to manage, or to direct the management of, the corporation's business and affairs;

(b) a sale, lease, transfer, or other disposition of property and assets of the corporation that requires shareholder approval under section 302A.661, subdivision 2, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) a plan of merger, whether under this chapter or under chapter 322C, to which the corporation is a constituent organization, except as provided in subdivision 3, and except for a plan of merger adopted under section 302A.626;

(d) a plan of exchange, whether under this chapter or under chapter 322C, to which the corporation is a party as the corporation whose shares will be acquired by the acquiring organization, except as provided in subdivision 3;

(e) a plan of conversion is adopted by the corporation and becomes effective;

(f) an amendment of the articles in connection with a combination of a class or series under section 302A.402 that reduces the number of shares of the class or series owned by the shareholder to a fraction of a share if the corporation exercises its right to repurchase the fractional share so created under section 302A.423; or

(g) any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 20. Minnesota Statutes 2024, section 302A.471, subdivision 3, is amended to read:

Subd. 3. **Rights not to apply.** (a) Unless the articles, the bylaws, or a resolution approved by the board otherwise provide, the right to obtain payment under this section does not apply to a shareholder of (1) the surviving corporation in a merger with respect to shares of the shareholder that are not entitled to be voted on the merger and are not canceled or exchanged in the merger or (2) the corporation whose shares will be acquired by the acquiring organization in a plan of exchange with respect to shares of the shareholder that are not entitled to be voted on the plan of exchange and are not exchanged in the plan of exchange.

(b) If a date is fixed according to section 302A.445, subdivision 1, for the determination of shareholders entitled to receive notice of and to vote on an action described in subdivision 1, only shareholders as of the date fixed, and beneficial owners as of the date fixed who hold through shareholders, as provided in subdivision 2, may exercise dissenters' rights.

(c) Notwithstanding subdivision 1, the right to obtain payment under this section, other than in connection with a plan of merger adopted under section 302A.613, subdivision 4, or 302A.621, is limited in accordance with the following provisions:

(1) The right to obtain payment under this section is not available for the holders of shares of any class or series of shares that is listed on ~~the New York Stock Exchange, NYSE MKT LLC, the Nasdaq Global Market, the NASDAQ Global Select Market, the Nasdaq Capital Market, or any successor to any such market~~ any national securities exchange registered with the United States Securities and Exchange Commission under section 6 of the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(2) The applicability of clause (1) is determined as of:

(i) the record date fixed to determine the shareholders entitled to receive notice of, and to vote at, the meeting of shareholders to act upon the corporate action described in subdivision 1; or

(ii) the day before the effective date of corporate action described in subdivision 1 if there is no meeting of shareholders.

(3) Clause (1) is not applicable, and the right to obtain payment under this section is available pursuant to subdivision 1, for the holders of any class or series of shares who are required by the terms of the corporate action described in subdivision 1 to accept for such shares anything other than shares, or cash in lieu of fractional shares, of any class or any series of shares of a domestic or foreign corporation, or any other ownership interest of any other organization, that satisfies the standards set forth in clause (1) at the time the corporate action becomes effective.

Sec. 21. Minnesota Statutes 2024, section 302A.611, is amended by adding a subdivision to read:

Subd. 1a. **Additional remedies; shareholder representatives.** A plan of merger or exchange may provide:

(1) that: (i) a party to the plan that fails to perform the party's obligations under the plan in accordance with the terms and conditions of the plan, or that otherwise fails to comply with the terms and conditions of the plan, in each case required to be performed or complied with prior to the time the merger or exchange becomes effective, or that otherwise fails to consummate, or fails to cause the consummation of, the merger or exchange, whether prior to a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to consummation set forth in the plan or otherwise, is subject, in addition to any other remedies available at law or in equity, to penalties or consequences set forth in the plan of merger or exchange, which may include an obligation to pay to the other party or parties to the plan an amount representing or based on the loss of any premium or other economic entitlement the shareholders or holders of rights to purchase of the other party would be entitled to receive pursuant to the terms of the plan if the merger or exchange were consummated in accordance with the terms of the plan; and (ii) if, pursuant to the terms of the plan of merger or exchange, the corporation is entitled to receive payment from another party to the plan of any amount representing a penalty or consequence, the corporation is entitled to enforce the other party's payment obligation and upon receipt of a payment is entitled to retain the amount of the payment received; or

(2)(i) for the appointment, at or after the time at which the plan of merger or exchange is approved by the shareholders of the corporation in accordance with the requirements of this chapter, of one or more persons, which may include the surviving or resulting organization or any officer, representative, or agent of the surviving or resulting organization, as representative of the shareholders or the holders of rights to purchase of the corporation, including the shareholders and holders whose shares or rights to purchase must be canceled, converted, or exchanged in the merger or exchange and for the delegation to the person or persons of the sole and exclusive authority to take action and bring claims on behalf of the shareholders and the holders pursuant to the plan, including taking actions and bringing claims, including by entering into settlements, as the representative determines to enforce the rights of the shareholders and holders under the plan of merger or exchange, on the terms and subject to the conditions set forth in the plan; (ii) that an appointment is irrevocable and binding on all shareholders and holders from and after the approval of the plan of merger or exchange by the requisite vote of shareholders pursuant to this chapter; and (iii) that a provision adopted pursuant to this clause may not be amended after the merger or exchange has become effective or may be amended only with the consent or approval of persons specified in the plan of merger or exchange.

ARTICLE 13

TRUSTS

Section 1. Minnesota Statutes 2024, section 501A.01, is amended to read:

501A.01 WHEN NONVESTED INTEREST, POWERS OF APPOINTMENT ARE INVALID; EXCEPTIONS.

(a) A nonvested property interest is invalid unless:

(1) when the interest is created, it is certain to vest or terminate no later than 21 years after the death of an individual then alive; or

(2) the interest either vests or terminates within 90 years after its creation.

(b) A general power of appointment not presently exercisable because of a condition precedent is invalid unless:

(1) when the power is created, the condition precedent is certain to be satisfied or become impossible to satisfy no later than 21 years after the death of an individual then alive; or

(2) the condition precedent either is satisfied or becomes impossible to satisfy within 90 years after its creation.

(c) A nongeneral power of appointment or a general testamentary power of appointment is invalid unless:

(1) when the power is created, it is certain to be irrevocably exercised or otherwise to terminate no later than 21 years after the death of an individual then alive; or

(2) the power is irrevocably exercised or otherwise terminates within 90 years after its creation.

(d) In determining whether a nonvested property interest or a power of appointment is valid under paragraph (a), clause (1), paragraph (b), clause (1), or paragraph (c), clause (1), the possibility that a child will be born to an individual after the individual's death is disregarded.

(e) If, in measuring a period from the creation of a trust or other property arrangement, language in a governing instrument seeks to:

(1) disallow the vesting or termination of any interest trust beyond;

(2) postpone the vesting or termination of any interest or trust until; or

(3) operate in effect in any similar fashion upon,

the later of the expiration of a period of time not exceeding 21 years after the death of the survivor of specified lives in being at the creation of the trust or other property arrangement, or the expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of lives in being at the creation of the trust or other property arrangement;

that language is inoperative to the extent it produces a period of time that exceeds 21 years after the death of the survivor of the specified lives.

(f) For any trust created on or after August 1, 2025, this section shall apply to a nonvested property interest or power of appointment contained in a trust by substituting the term "500 years" for "90 years" in each place it appears in this section, unless the terms of the trust require that all beneficial interests in the trust vest or terminate within a lesser period.

Sec. 2. Minnesota Statutes 2024, section 501C.0301, is amended to read:

501C.0301 REPRESENTATION: BASIC EFFECT.

(a) Notice to a person who may represent and bind another person under sections 501C.0302 to 501C.0305 has the same effect as if notice were given directly to the other person.

(b) The consent, agreement, or waiver of a person who may represent and bind another person under sections 501C.0302 to 501C.0305 is binding on the person represented unless the person represented objects to the representation before the consent, agreement, or waiver would otherwise have been effective. The provisions of this paragraph shall not apply to representation under section 501C.0302.

(c) Except as otherwise provided in sections 501C.0411 and 501C.0602, a person who under sections 501C.0302 to 501C.0305 may represent a settlor who lacks capacity may receive notice and give a binding consent on the settlor's behalf.

(d) A settlor may not represent and bind a beneficiary under sections 501C.0302 to 501C.0305 with respect to the termination or modification of a trust under section 501C.0411, paragraph (a).

(e) The settlor or another person, including one or more beneficiaries of the trust, designated by the terms of the trust instrument to receive information from the trustee concerning the administration of the trust and the material facts necessary to protect the beneficiaries' interests in the manner described in section 501C.0813, paragraph (b), shall be a representative of the beneficiaries with respect to the limitations period on judicial proceedings against a trustee under section 501C.1005, paragraph (a).

Sec. 3. Minnesota Statutes 2024, section 501C.0302, is amended to read:

501C.0302 REPRESENTATION BY HOLDER OF A ~~GENERAL~~ POWER OF APPOINTMENT.

For purposes of giving notice, waiving notice, initiating a proceeding, granting consent or approval, or objecting with regard to any proceedings under this chapter, the sole holder or all co-holders of a presently exercisable or testamentary ~~general~~ power of appointment, whether general or special, power of revocation, or unlimited power of withdrawal are deemed to represent and act for beneficiaries to the extent that their interests as permissible appointees, takers in default, or otherwise are subject to the power.

Sec. 4. Minnesota Statutes 2024, section 501C.0407, is amended to read:

501C.0407 EVIDENCE OF ORAL TRUST.

The formal expression of intent to create a trust can be either written or oral subject to the requirements of sections 513.04 with respect to the conveyance of interest in land except up to a one-year lease and 524.2-502 with respect to a testamentary trust. The creation of an oral trust and its terms must be established by clear and convincing evidence.

Sec. 5. Minnesota Statutes 2024, section 501C.0411, is amended to read:

501C.0411 MODIFICATION OR TERMINATION OF NONCHARITABLE IRREVOCABLE TRUST BY CONSENT.

(a) A noncharitable irrevocable trust may be modified or terminated upon consent of the settlor and all beneficiaries, even if the modification or termination is inconsistent with a material purpose of the trust. A settlor's power to consent to a trust's modification or termination may be exercised by an agent under a power of attorney only to the extent expressly authorized by ~~the power of attorney or~~ the terms of the trust, or if the trust instrument is silent with respect to consent to the trust's modification by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly authorizes the agent to consent to a trust's modification; by the settlor's conservator with the approval of the court supervising the conservatorship if an agent is not so authorized; or by the settlor's guardian with the approval of the court supervising the guardianship if an agent is not so authorized and a conservator has not been appointed.

(b) A noncharitable irrevocable trust may be terminated upon consent of all of the beneficiaries if the court concludes that continuance of the trust is not necessary to achieve any material purpose of the trust. A noncharitable irrevocable trust may be modified upon consent of all of the beneficiaries if the court concludes that modification is not inconsistent with a material purpose of the trust.

(c) The court is not precluded from modifying or terminating a trust because the trust instrument contains spendthrift provisions.

(d) Upon termination of a trust under paragraph (a) or (b), the trustee shall distribute the trust property as agreed by the beneficiaries.

(e) If not all of the beneficiaries consent to a proposed modification or termination of the trust under paragraph (a) or (b), the modification or termination may be approved by the court if the court is satisfied that:

(1) if all of the beneficiaries had consented, the trust could have been modified or terminated under this section; and

(2) the interests of a beneficiary who does not consent will be adequately protected.

Sec. 6. Minnesota Statutes 2024, section 501C.0414, is amended to read:

501C.0414 MODIFICATION OR TERMINATION OF UNECONOMIC TRUST.

(a) After notice to the qualified beneficiaries, the trustee of a trust consisting of trust property having a total value less than ~~$50,000~~ $150,000 may terminate the trust if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration.

(b) The court may modify or terminate a trust or remove the trustee and appoint a different trustee if it determines that the value of the trust property is insufficient to justify the cost of administration.

(c) Upon termination of a trust under this section, the trustee shall distribute the trust property in a manner consistent with the purposes of the trust.

(d) This section does not apply to an easement for conservation or preservation.

Sec. 7. Minnesota Statutes 2024, section 501C.0602, is amended to read:

501C.0602 REVOCATION OR AMENDMENT OF REVOCABLE TRUST.

(a) Unless the terms of a trust expressly provide that the trust is revocable, the settlor may not revoke or amend the trust.

(b) If a revocable trust is created or funded by more than one settlor:

(1) to the extent the trust consists of community property, the trust may be revoked by either spouse acting alone but may be amended only by joint action of both spouses;

(2) to the extent the trust consists of property other than community property, each settlor may revoke or amend the trust with regard to the portion of the trust property attributable to that settlor's contribution; and

(3) upon the revocation or amendment of the trust by fewer than all of the settlors, the trustee shall promptly notify the other settlors of the revocation or amendment.

(c) The settlor may revoke or amend a revocable trust:

(1) by substantial compliance with a method provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method or the method provided in the terms is not expressly made exclusive, by:

(i) if the trust is created pursuant to a writing, by another writing manifesting clear and convincing evidence of the settlor's intent to revoke or amend the trust; or

(ii) if the trust is an oral trust, by any other method manifesting clear and convincing evidence of the settlor's intent.

(d) Upon revocation of a revocable trust, the trustee shall deliver the trust property as the settlor directs.

(e) A settlor's powers with respect to revocation, amendment, or distribution of trust property may be exercised by an agent under a power of attorney only to the extent expressly authorized by the terms of the trust, or ~~the power~~ if the trust instrument is silent with respect to revocation, amendment, or distribution of trust property by an agent, then by a power of attorney, other than a statutory short form power of attorney executed in accordance with section 523.23, that expressly

authorizes the agent to exercise the settlor's powers with respect to revocation, amendment, or distribution of property.

(f) A conservator of the settlor may exercise a settlor's powers with respect to revocation, amendment, or distribution of trust property only with the approval of the court supervising the conservatorship.

(g) A trustee who does not know that a trust has been revoked or amended is not liable to the settlor or settlor's successors in interest for distributions made and other actions taken on the assumption that the trust had not been amended or revoked.

Sec. 8. Minnesota Statutes 2024, section 501C.0605, is amended to read:

501C.0605 LIMITATION ON ACTION CONTESTING VALIDITY OF REVOCABLE TRUST; DISTRIBUTION OF TRUST PROPERTY.

(a) A person may commence a judicial proceeding to contest the validity of a trust that was revocable immediately prior to the settlor's death within the earlier of:

(1) three years after the settlor's death; or

(2) 120 days after the trustee sent the person a copy of the trust instrument and a notice informing the person of the settlor's death, of the trust's existence, of the trustee's name and address, and of the time allowed for commencing a proceeding.

(b) Upon the death of the settlor of a trust that was revocable at the settlor's death, the trustee may proceed to distribute the trust property in accordance with the terms of the trust. The trustee is not subject to liability for doing so unless:

(1) the trustee knows of a pending judicial proceeding contesting the validity of the trust; or

(2) a potential contestant has notified the trustee of a possible judicial proceeding to contest the trust and a judicial proceeding is commenced within 60 days after the contestant sent the notification.

(c) A beneficiary of a trust that is determined to have been invalid, in whole or in part, is liable to return any distribution received, to the extent the invalidity applies to the distribution.

Sec. 9. Minnesota Statutes 2024, section 501C.0701, is amended to read:

501C.0701 ACCEPTING OR DECLINING TRUSTEESHIP.

(a) Except as otherwise provided in paragraph (c), a person designated as trustee accepts the trusteeship:

(1) by substantially complying with a method of acceptance provided in the terms of the trust; or

(2) if the terms of the trust do not provide a method, or the method provided in the terms is not expressly made exclusive, by accepting delivery of the trust property, exercising powers or performing duties as trustee, or otherwise indicating acceptance of the trusteeship.

(b) A person designated as trustee who has not yet accepted the trusteeship may reject the trusteeship. A designated trustee who does not accept the trusteeship within a reasonable time after knowing of the designation, but not more than 120 days, is deemed to have rejected the trusteeship.

(c) A person designated as trustee, without accepting the trusteeship, may:

(1) act to preserve the trust property if, within a reasonable time after acting, the person sends a rejection of the trusteeship to the settlor or, if the settlor is dead or lacks capacity, to a qualified beneficiary; and

(2) inspect or investigate trust property to determine potential liability or for any other purpose.

Sec. 10. Minnesota Statutes 2024, section 501C.0808, subdivision 1, is amended to read:

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

(b) "Directing party" means ~~any~~ one or more persons acting as investment trust advisor, distribution trust advisor, or trust protector as provided in this section.

(c) "Distribution trust advisor" means one or more persons given authority by the governing instrument to ~~direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trust, including but not limited to authority to make discretionary distributions of income or principal~~ exercise the powers specified in subdivision 3.

(d) "Excluded fiduciary" means ~~any fiduciary~~ one or more fiduciaries that by the governing instrument ~~is~~ are directed to act in accordance with the exercise of specified powers by a directing party, in which case such specified powers shall be deemed granted not to the fiduciary but to the directing party and such fiduciary shall be deemed excluded from exercising such specified powers. If a governing instrument provides that a fiduciary as to one or more specified matters is to act, omit action, or make decisions only with the consent of a directing party, then such fiduciary is an excluded fiduciary with respect to such matters. A person may be an excluded fiduciary even if such person participated in the exercise of (1) a power described in section 501C.0111 relating to nonjudicial settlement agreements, (2) a power described in section 502.851 relating to decanting, (3) a permitted trustee amendment, or (4) a similar power that invokes the provisions of this section with respect to any new or existing trust.

(e) "Fiduciary" means ~~any person~~ one or more persons expressly given one or more fiduciary duties by the governing instrument or by this section, including but not limited to a trustee.

(f) "Governing instrument" means the instrument stating the terms of a trust, including but not limited to any court order, or nonjudicial settlement agreement establishing, construing, or modifying the terms of the trust in accordance with section 501C.0111 or 502.851, or other applicable law.

(g) "Investment trust advisor" means ~~any~~ one or more persons given authority by the governing instrument to ~~direct, consent to, or veto the exercise of all or any portion of the investment powers of the trust~~ exercise the powers specified in subdivision 2.

(h) "Power" means authority to take or withhold an action or decision, including but not limited to an expressly specified power, the implied power necessary to exercise a specified power, and authority inherent in a general grant of discretion.

(i) "Trust protector" means one or more persons given one or more of the powers specified in subdivision 4~~, whether or not designated with the title of trust protector by the governing instrument~~.

Sec. 11. Minnesota Statutes 2024, section 501C.0808, subdivision 2, is amended to read:

Subd. 2. **Powers of investment trust advisor.** An investment trust advisor may be designated in the governing instrument of a trust. The powers of an investment trust advisor may be exercised or not exercised in the sole and absolute discretion of the investment trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "investment trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of an investment trust advisor. The governing instrument may provide that the investment trust advisor has the authority to direct, consent to, or veto the exercise of all or any portion of the investment powers of the trustee. Unless the terms of the governing instrument provide otherwise, the investment trust advisor has the authority to:

(1) direct the trustee with respect to the retention, purchase, transfer, assignment, sale, or encumbrance of trust property and the investment and reinvestment of principal and income of the trust;

(2) direct the trustee with respect to all management, control, and voting powers related directly or indirectly to trust assets, including but not limited to voting proxies for securities held in trust;

(3) select ~~and determine reasonable compensation of~~ any one or more advisors, managers, consultants, or counselors, ~~including~~ which may be the trustee, and ~~to~~ delegate to them any of the powers of the investment trust advisor in accordance with section 501C.0807 and determine their reasonable compensation for investment services; and

(4) determine the frequency and methodology for valuing any asset for which there is no readily available market value.

Sec. 12. Minnesota Statutes 2024, section 501C.0808, subdivision 3, is amended to read:

Subd. 3. **Powers of distribution trust advisor.** A distribution trust advisor may be designated in the governing instrument of a trust. The powers of a distribution trust advisor may be exercised or not exercised in the sole and absolute discretion of the distribution trust advisor, and are binding on all other persons, including but not limited to each beneficiary, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "distribution trust advisor" or any similar name or description demonstrating the intent to provide for the office and function of a distribution trust advisor. The governing instrument may provide that the distribution trust advisor has the authority to direct, consent to, veto, or otherwise exercise all or any portion of the distribution powers and discretions of the trustee. Unless the terms of the governing instrument provide otherwise, the distribution trust advisor has authority to:

(1) direct the trustee with regard to all decisions relating directly or indirectly to discretionary distributions of income or principal to or for one or more beneficiaries.; and

(2) direct the trustee to terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust.

Sec. 13. Minnesota Statutes 2024, section 501C.0808, subdivision 4, is amended to read:

Subd. 4. **Powers of trust protector.** A trust protector may be designated in the governing instrument of a trust. The powers of a trust protector may be exercised or not exercised in the sole and absolute discretion of the trust protector, and are binding on all other persons, including but not limited to each beneficiary, investment trust advisor, distribution trust advisor, fiduciary, excluded fiduciary, and any other party having an interest in the trust. The governing instrument may use the title "trust protector" or any similar name or description demonstrating the intent to provide for the office and function of a trust protector. The powers granted to a trust protector by the governing instrument may include but are not limited to authority to do any one or more of the following:

(1) modify or amend the governing instrument to achieve favorable tax status or respond to changes in the Internal Revenue Code, federal laws, state law, or the rulings and regulations under such laws;

(2) increase, decrease, or modify the interests of any beneficiary or beneficiaries of the trust;

(3) modify the terms of any power of appointment granted by the trust; provided, however, such modification or amendment may not grant a beneficial interest to any individual, class of individuals, or other parties not specifically provided for under the trust instrument;

(4) remove, appoint, or remove and appoint, a trustee, investment trust advisor, distribution trust advisor, another directing party, investment committee member, or distribution committee member, including designation of a plan of succession for future holders of any such office;

~~(5) terminate the trust, including determination of how the trustee shall distribute the trust property to be consistent with the purposes of the trust;~~

~~(6)~~ (5) change the situs of the trust, the governing law of the trust, or both;

~~(7)~~ (6) appoint one or more successor trust protectors, including designation of a plan of succession for future trust protectors;

~~(8)~~ (7) interpret terms of the trust instrument at the request of the trustee;

~~(9)~~ (8) advise the trustee on matters concerning a beneficiary;

~~(10)~~ (9) amend or modify the governing instrument to take advantage of laws governing restraints on alienation, distribution of trust property, or to improve the administration of the trust; or

~~(11) veto or direct trust distributions; or~~

~~(12)~~ (10) provide direction regarding notification of qualified beneficiaries.

If a charity is a current beneficiary or a presumptive remainder beneficiary of the trust, a trust protector must give notice to the attorney general's charitable trust division at least 60 days before taking any of the actions authorized under clause (2), (3), (4), or (5)~~, or (6)~~. The attorney general's charitable trust division may, however, waive this notice requirement.

Sec. 14. Minnesota Statutes 2024, section 501C.0808, subdivision 5, is amended to read:

Subd. 5. **Duty and liability of directing party.** (a) A directing party who is a distribution trust advisor or an investment trust advisor is a fiduciary of the trust subject to the same duties and standards applicable to a trustee of a trust as provided by applicable law ~~unless the governing instrument provides otherwise, but the governing instrument may not, however, relieve or exonerate a directing party from the duty to act or withhold acting as the directing party in good faith reasonably believes is in the best interests of the trust.~~, including but not limited to the limitation period for actions against a trustee, the effect of providing a report or account, and the defenses available to a trustee in an action for breach of trust against the trustee. The terms of the governing instrument may vary the duty or liability of an investment trust advisor or a distribution trust advisor, but only to the same extent the terms of the trust could vary the duty or liability of a trustee in a like position and under similar circumstances.

(b) A trust protector is not a fiduciary of the trust unless the governing instrument provides otherwise, provided that a trust protector shall be a fiduciary subject to paragraph (a) if the governing instrument grants the trust protector any of the powers of an investment trust advisor under subdivision 2 or a distribution trust advisor under subdivision 3, but only to the extent of the power or powers granted.

Sec. 15. Minnesota Statutes 2024, section 501C.0808, subdivision 6, is amended to read:

Subd. 6. **Duty and liability of excluded fiduciary.** (a) The excluded fiduciary shall act in accordance with the governing instrument and shall take reasonable steps to comply with the directing party's exercise of the powers granted to the directing party by the governing instrument. Unless otherwise provided in the governing instrument, an excluded fiduciary has no duty to monitor, review, inquire, investigate, recommend, evaluate, or warn with respect to a directing party's exercise of or failure to exercise any power granted to the directing party by the governing instrument, including but not limited to, any power related to the acquisition, disposition, retention, management, or valuation of any asset or investment. Except as otherwise provided in this section or the governing instrument, an excluded fiduciary is not liable, either individually or as a fiduciary, for any action, inaction, consent, or failure to consent by a directing party, including but not limited to~~,~~ any of the following:

(1) if a governing instrument provides that an excluded fiduciary is to follow the direction of a directing party, and the excluded fiduciary acts in accordance with the direction, then except in cases of willful misconduct on the part of the excluded fiduciary in complying with the direction of the directing party, the excluded fiduciary is not liable for any loss resulting directly or indirectly from following the direction, including but not limited to, compliance regarding the valuation of assets for which there is no readily available market value;

(2) if a governing instrument provides that an excluded fiduciary is to act or omit to act only with the consent of a directing party, then except in cases of willful misconduct on the part of the

excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from any act taken or omitted as a result of the directing party's failure to provide consent after having been requested to do so by the excluded fiduciary; or

(3) if a governing instrument provides that, or if for any other reason, an excluded fiduciary is required to assume the role or responsibilities of a directing party, or if the excluded fiduciary appoints a directing party or successor to a directing party, then except in cases of willful misconduct on the part of the excluded fiduciary, the excluded fiduciary is not liable for any loss resulting directly or indirectly from its actions in carrying out the roles and responsibilities of the directing party.

(b) Any excluded fiduciary is also relieved from any obligation to review or evaluate any direction from a distribution trust advisor or to perform investment or suitability reviews, inquiries, or investigations or to make recommendations or evaluations with respect to investments to the extent the directing party, custodial account owner, or authorized designee of a custodial account owner had authority to direct the acquisition, disposition, or retention of any such investment. If the excluded fiduciary offers such communication to the directing party or any investment person selected by the investment trust advisor, the action may not be deemed to constitute an undertaking by the excluded fiduciary to monitor or otherwise participate in actions within the scope of the advisor's authority or to constitute any duty to do so.

(c) An excluded fiduciary is also relieved of any duty to communicate with, warn, or apprise any beneficiary or third party concerning instances in which the excluded fiduciary would or may have exercised the excluded fiduciary's own discretion in a manner different from the manner directed by the directing party.

(d) Absent a contrary provision in the governing instrument, the actions of the excluded fiduciary, including any communications with the directing party or others, or carrying out, recording, or reporting actions taken at the directing party's direction pertaining to matters within the scope of authority of the directing party, shall be deemed to be administrative actions taken by the excluded fiduciary solely to allow the excluded fiduciary to perform those duties assigned to the excluded fiduciary under the governing instrument. An administrative action described under this paragraph may not be deemed to constitute an undertaking by the excluded fiduciary to monitor, participate, or otherwise take any fiduciary responsibility for actions within the scope of authority of the directing party.

(e) Any person acting in the role of excluded fiduciary or directing party is an interested person who may petition the district court and invoke its jurisdiction as provided in sections 501C.0201 to 501C.0208 for those matters specified in section 501C.0202, and the provisions of section 501C.0202 shall be construed and applied so that the references in that section to a trustee include the excluded fiduciary or directing party, as applicable.

Sec. 16. Minnesota Statutes 2024, section 501C.0808, subdivision 8, is amended to read:

Subd. 8. **Duty to inform excluded fiduciary and directing parties.** (a) Each directing party shall keep the excluded fiduciary and any other directing party reasonably informed regarding the administration of the trust with respect to any specific duty or function being performed by the directing party to the extent that the duty or function would normally be performed by the excluded

fiduciary or to the extent that providing such information to the excluded fiduciary or other directing party is reasonably necessary for the excluded fiduciary or other directing party to perform its duties. The directing party shall provide such information as reasonably requested by the excluded fiduciary or other directing party. Neither the performance nor the failure to perform of a directing party's duty to inform as provided in this subdivision affects the limitation on the liability of the excluded fiduciary as provided in this section.

(b) Each excluded fiduciary shall keep the directing party or parties reasonably informed regarding the administration of the trust with respect to any specific duty or function performed by the excluded fiduciary to the extent that providing such information to the directing party or parties is reasonably necessary for the directing party to perform its duties. The excluded fiduciary shall provide such information as reasonably requested by a directing party. Neither the performance of nor the failure to perform an excluded fiduciary's duty to inform as provided in this subdivision affects the liability of the directing party as provided in this section.

Sec. 17. Minnesota Statutes 2024, section 501C.0808, is amended by adding a subdivision to read:

Subd. 9a. **Office of directing party.** Unless the terms of a governing instrument provide otherwise, the rules applicable to a trustee apply to a directing party regarding the following matters:

(1) acceptance under section 501C.0701;

(2) giving of bond to secure performance under section 501C.0702;

(3) when more than one person is acting in the role of a directing party, the provisions applicable to cotrustees under section 501C.0703;

(4) reasonable compensation under section 501C.0708;

(5) resignation under section 501C.0705;

(6) removal under section 501C.0706; and

(7) vacancy and appointment of successor under section 501C.0704.

Sec. 18. Minnesota Statutes 2024, section 501C.1013, subdivision 4, is amended to read:

Subd. 4. **Effect.** When a certificate of trust is recorded in a county where real property is situated, or in the case of personal property, when it is presented to a third party, the certificate of trust serves to document the existence of the trust, the identity of the trustees, the powers of the trustees and any limitations on those powers, and other matters the certificate of trust sets out, as though the full trust instrument had been recorded or presented. Until amended or revoked under subdivision 5, or until the full trust instrument is recorded or presented, a certificate of trust is prima facie proof as to matters contained in it and any party may rely upon the continued effectiveness of the certificate, and the subsequent revocation or amendment of a certificate of trust shall not affect transactions entered into in reliance on a prior certificate of trust.

Sec. 19. Minnesota Statutes 2024, section 501C.1014, is amended by adding a subdivision to read:

Subd. 5. **Affidavit of trustee.** An affidavit of a trustee or of trustees of an inter vivos trust or a testamentary trust in support of a personal property transaction may be substantially in the form of the affidavit provided in subdivision 1 or 2, as long as the affidavit sets forth a description of the personal property and includes paragraphs 2, 3(a) and (b), changing the property reference to the personal property described, 4, 5, 6, and 7 of the form of the affidavit provided in subdivision 1 or 2.

Sec. 20. Minnesota Statutes 2024, section 501C.1105, subdivision 1, is amended to read:

Subdivision 1. **Expenses.** Unless a will or trust instrument provides otherwise and subject to subdivision 2, all expenses incurred in connection with the settlement of a decedent's estate, including debts, funeral expenses, estate taxes, interest and penalties concerning taxes, family allowances, fees of attorneys and personal representatives, and court costs must be charged against the principal of the estate.

Sec. 21. Minnesota Statutes 2024, section 501C.1105, is amended by adding a subdivision to read:

Subd. 4. **Decedent's estate.** For purposes of this section, the "decedent's estate" includes the estate of the decedent and any trust that was revocable by the decedent at the time of the decedent's death.

Sec. 22. Minnesota Statutes 2024, section 502.851, subdivision 1, is amended to read:

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

(b) "Appointed trust" means an irrevocable trust which receives principal from an invaded trust under subdivision 3 or 4, including another trust created by the settlor of the invaded trust, under the terms of the invaded trust or any other trust instrument, or by the trustees, in that capacity, of the invaded trust. For purposes of creating another trust, any requirement that a trust instrument be signed by the settlor shall be deemed satisfied by the signature of the trustee of the appointed trust. In the discretion of the authorized trustee, the appointed trust may be the same trust as the invaded trust with modified terms which does not require the trustee of the appointed trust to refer to the trust by a different name or obtain a separate tax identification number when applicable.

(c) "Authorized trustee" means, as to an invaded trust, any trustee or trustees with authority to pay trust principal to or for one or more current beneficiaries other than a trustee who is the settlor, or a beneficiary to whom income or principal must be paid currently or in the future, or who is or will become eligible to receive a distribution of income or principal in the discretion of the trustee, other than by the exercise of a power of appointment held in a nonfiduciary capacity.

(d) "Current beneficiary" or "beneficiaries" means the person or persons, or as to a class, any person or persons who are or will become members of that class, to whom the trustees may distribute principal at the time of the exercise of the power, provided that the interest of a beneficiary to whom income, but not principal, may be distributed at the discretion of the trustee of the invaded trust, may be continued in the appointed trust.

(e) "Invade" means the power to pay directly to the beneficiary of a trust or make application for the benefit of the beneficiary.

(f) "Invaded trust" means any existing irrevocable inter vivos or testamentary trust whose principal is appointed under subdivision 3 or 4.

(g) "Person or persons interested in the invaded trust" means all qualified beneficiaries as defined in section 501C.0103, paragraph (m).

(h) "Principal" includes the income of the trust at the time of the exercise of the power that is not currently required to be distributed, including accrued and accumulated income.

(i) "Unlimited discretion" means the unlimited power to distribute principal. A power to distribute principal that includes words such as best interests, welfare, comfort, or happiness shall not be considered a limitation of the power to distribute principal.

Sec. 23. Minnesota Statutes 2024, section 502.851, subdivision 2, is amended to read:

Subd. 2. **~~Power of appointment; effect when more or less extensive than authorized~~ Savings provision.** ~~An exercise of a power of appointment is not void if the exercise is:~~

~~(1) more extensive than was authorized but is valid to the extent authorized by the instrument creating its power; or~~

~~(2) less extensive than authorized by the instrument creating the power, unless the donor has manifested a contrary intention.~~

(a) If exercise of the power to invade trust principal under subdivision 3 or 4 would be effective under this section except that the appointed trust instrument in part does not comply with this section, the exercise of the power is effective and the following rules apply with respect to the principal of the appointed trust attributable to the exercise of the power:

(1) a provision in the appointed trust instrument that is not permitted under this section is void to the extent necessary to comply with this section; and

(2) a provision required by this section to be in the appointed trust instrument that is not contained in the trust instrument is deemed to be included in the trust instrument to the extent necessary to comply with this section.

(b) If a trustee or other fiduciary of an appointed trust determines that paragraph (a) applies to a prior exercise of the power to invade trust principal under subdivision 3 or 4, the fiduciary shall take corrective action consistent with the fiduciary's duties.

Sec. 24. Minnesota Statutes 2024, section 502.851, subdivision 3, is amended to read:

Subd. 3. **Authorized trustee with unlimited discretion.** (a) An authorized trustee with unlimited discretion to invade trust principal may appoint part or all of the principal to a trustee of an appointed trust for, and only for the benefit of, one, more than one, or all of the current beneficiaries of the invaded trust, to the exclusion of any one or more of the current beneficiaries. The successor and remainder beneficiaries of the appointed trust ~~may be none,~~ must be one, more than one, or all of the successor and remainder beneficiaries of the invaded trust, and may be to the exclusion of any one, more than one, or all of such successor and remainder beneficiaries.

(b) An authorized trustee exercising the power under paragraph (a) may grant a discretionary power of appointment in the appointed trust to one or more of the current beneficiaries of the invaded trust, provided that the beneficiary granted a power to appoint may receive principal outright under the terms of the invaded trust.

(c) If the authorized trustee grants a power of appointment, the class of permissible appointees in favor of whom the beneficiary may exercise the power of appointment granted in the appointed trust may be broader or otherwise different from the current, successor, and remainder beneficiaries of the invaded trust.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust may include present or future members of the class.

Sec. 25. Minnesota Statutes 2024, section 502.851, subdivision 4, is amended to read:

Subd. 4. **Authorized trustee without unlimited discretion.** (a) An authorized trustee with the power to invade trust principal but without unlimited discretion may appoint part or all of the principal of the trust to a trustee of an appointed trust, provided that the current beneficiaries of the appointed trust shall be the same as the current beneficiaries of the invaded trust and the successor and remainder beneficiaries shall be the same as the successor and remainder beneficiaries of the invaded trust.

(b) If the authorized trustee exercises the power under this subdivision, the appointed trust shall include the same language authorizing the trustee to distribute the income or invade the principal of the appointed trust as in the invaded trust.

(c) If the authorized trustee exercises the power under this subdivision to extend the term of the appointed trust beyond the term of the invaded trust, for any period after the invaded trust would have otherwise terminated under the provisions of the invaded trust, the appointed trust, in addition to the language required to be included in the appointed trust pursuant to paragraph (b), may also include language providing the trustee with unlimited discretion to invade the principal of the appointed trust during this extended term.

(d) If the beneficiary or beneficiaries of the invaded trust are described by a class, the beneficiary or beneficiaries of the appointed trust shall include present ~~or~~ and future members of the class.

(e) If the authorized trustee exercises the power under this subdivision and if the invaded trust grants a power of appointment to a beneficiary of the trust, the appointed trust shall grant the power of appointment in the appointed trust and the class of permissible appointees shall be the same as in the invaded trust.

Sec. 26. Minnesota Statutes 2024, section 502.851, subdivision 11, is amended to read:

Subd. 11. **Requirements for exercise of power to appoint; notice.** (a) The exercise of the power to appoint to an appointed trust under subdivision 3 or 4 must be evidenced by an instrument in writing, signed~~,~~ and dated~~, and acknowledged~~ by the authorized trustee. The exercise of the power shall be effective 60 days after the date of delivery of notice as specified in paragraph (c), unless each person entitled to notice agrees in writing to an earlier effective date or waives in writing the right to object to the exercise of the power.

(b) An authorized trustee may exercise the power authorized by subdivision 3 or 4 without the consent of the settlor or the persons interested in the invaded trust and without court approval, provided that the authorized trustee may seek court approval for the exercise with notice to all persons interested in the invaded trust.

(c) A copy of the instrument exercising the power, a copy of the appointed trust, and a copy of the invaded trust shall be delivered to:

(1) any person having the right, pursuant to the terms of the invaded trust, to remove or replace the authorized trustee exercising the power under subdivision 3 or 4; ~~and~~

(2) all persons interested in the invaded trust~~.~~; and

(3) any person who would be considered the owner of all or any portion of the appointed trust under sections 671 to 679 of the Internal Revenue Code.

(d) Notice of an exercise of the power must be given in the same manner as provided in section 501C.0109 and is subject to the provisions of section 501C.0301.

(e) The instrument exercising the power shall state whether the appointment is of all the assets comprising the principal of the invaded trust or only a part of the assets comprising the principal of the invaded trust and, if a part, the approximate percentage of the value of the principal of the invaded trust that is subject to the appointment.

(f) A person entitled to notice may object to the authorized trustee's exercise of the power under this section by serving a written notice of objection upon the authorized trustee prior to the effective date of the exercise of the power. The failure to object shall not constitute a consent.

(g) If the authorized trustee does not receive a written objection to the proposed exercise from a person entitled to notice within the applicable period, the authorized trustee is not liable to any person who received the required notice for the exercise of the power.

(h) If the authorized trustee receives a written objection within the applicable period, either the authorized trustee or any person entitled to notice may petition the court to have the proposed exercise of a power performed as proposed, performed with modifications, or denied. In a proceeding, a person objecting to the proposed exercise has the burden of proof as to whether the authorized trustee's proposed exercise should not be performed. A person who has not objected is not estopped from opposing the proposed exercise in the proceeding. If the authorized trustee decides not to implement the proposed exercise, the trustee shall notify all persons entitled to notice of the decision not to exercise the power and the reasons for the decision, and the authorized trustee's decision not to implement the proposed exercise does not itself give rise to liability to any person interested in the invaded trust. A person entitled to notice may petition the court to have the exercise of a power performed and has the burden of proof as to whether it should be performed.

(i) A copy of the instrument exercising the power and a copy of each of the invaded trust and the appointed trust shall be filed with records of the appointed trust and the invaded trust.

Sec. 27. Minnesota Statutes 2024, section 502.851, subdivision 15, is amended to read:

Subd. 15. **Prohibitions.** (a) An authorized trustee may not exercise a power authorized by subdivision 3 or 4 to effect any of the following:

(1) to reduce, limit, or modify any beneficiary's current right to a mandatory distribution of income or principal, a mandatory annuity or unitrust interest, a current right to withdraw a percentage of the value of the trust, or a current right to withdraw a specified dollar amount; provided, however, and subject to the other limitations in this section, an authorized trustee may exercise a power authorized by subdivision 3 or 4 to appoint to an appointed trust that is a supplemental needs trust that conforms to the provisions of section 501C.1205;

(2) notwithstanding section 501C.1008, paragraph (b), to decrease or indemnify against a trustee's liability or exonerate a trustee from liability for failure to exercise reasonable care, diligence, and prudence, except that the appointed trust may divide and reallocate fiduciary powers among fiduciaries, including one or more trustees, distribution trust advisors, investment trust advisors, trust protectors, or other persons, and relieve a fiduciary from liability for an act or failure to act of another fiduciary as permitted under section 501C.0808;

(3) to alter or eliminate a provision granting another person the right to remove or replace the authorized trustee exercising the power under subdivision 3 or 4, unless notice has been provided to the persons under subdivision 11, paragraph (c), or approval is granted by a court having jurisdiction over the trust;

(4) to make a binding and conclusive fixation of the value of any asset for purposes of distribution, allocation, or otherwise;

(5) to extend the term of the appointed trust beyond any permissible period of the rule against perpetuities of the invaded trust, and any exercise of the power which extends the term of the appointed trust beyond the permissible period of the rule against perpetuities of the invaded trust shall void the entire exercise of the power; or

(6) to jeopardize:

(i) the deduction or exclusion originally claimed with respect to any contribution to the invaded trust that qualified for the annual exclusion under section 2503(b) of the Internal Revenue Code; the marital deduction under section 2056(a) or 2523(a) of the Internal Revenue Code; or the charitable deduction under section 170(a), 642(c), 2055(a), or 2522(a) of the Internal Revenue Code;

(ii) the qualification of a transfer as a direct skip under section 2642(c) of the Internal Revenue Code; ~~or~~

(iii) the qualification as a foreign grantor trust under section 672(f)(2)(A) of the Internal Revenue Code; or

~~(iii)~~ (iv) any other specific tax benefit for which a contribution originally qualified for income, gift, estate, or generation-skipping transfer purposes under the Internal Revenue Code.

(b) If the property of the invaded trust includes shares of stock in an S corporation, as defined in section 1361 of the Internal Revenue Code, and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a permitted shareholder under any

provision of section 1361 of the Internal Revenue Code, the authorized trustee may exercise the power with respect to part or all of the S corporation stock only if any appointed trust receiving the stock is a permitted shareholder under section 1361(c)(2) of the Internal Revenue Code. If the property of the invaded trust includes shares of stock in an S corporation and the invaded trust is, or but for the exercise of power to invade the trust principal under this section would be, a qualified subchapter S trust within the meaning of section 1361(d) of the Internal Revenue Code, the appointed trust instrument must not include or omit a term that prevents the appointed trust from qualifying as a qualified subchapter S trust.

Sec. 28. Minnesota Statutes 2024, section 502.851, subdivision 16, is amended to read:

Subd. 16. **Compensation; commissions.** For the purposes of this section~~: (1)~~, unless a court otherwise directs, an authorized trustee may not exercise a power authorized by subdivision 3 or 4 to change the provisions regarding the determination of the compensation of any trustee. The commissions or other compensation payable to the trustees of the invaded trust may continue to be paid to the trustees of the appointed trust during the term of the appointed trust and shall be determined in the same manner as in the invaded trust.

~~(2) No trustee shall receive any paying commission or other compensation for appointing of property from the invaded trust to an appointed trust pursuant to subdivision 3 or 4.~~

Sec. 29. Minnesota Statutes 2024, section 524.2-114, is amended to read:

524.2-114 PARENT BARRED FROM INHERITING IN CERTAIN CIRCUMSTANCES.

(a) A parent is barred from inheriting from or through a child of the parent if:

(1) the parent's parental rights were terminated and the parent-child relationship was not judicially reestablished; ~~or~~

(2) the child died before reaching 18 years of age and there is clear and convincing evidence that immediately before the child's death the parental rights of the parent could have been terminated under law of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child~~.~~; or

(3) the child died after reaching 18 years of age and there is clear and convincing evidence that:

(i) during the years of the child's minority, the parental rights of the parent could have been terminated under laws of this state other than this chapter on the basis of nonsupport, abandonment, abuse, neglect, or other actions or inactions of the parent toward the child; and

(ii) in the year preceding the child's death, the parent and child were estranged. For purposes of this subdivision, "estranged" means having a relationship characterized by enmity, hostility, or indifference.

(b) For the purpose of intestate succession from or through the deceased child, a parent who is barred from inheriting under this section is treated as if the parent predeceased the child.

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

Sec. 30. Minnesota Statutes 2024, section 524.2-804, subdivision 1, is amended to read:

Subdivision 1. **Revocation upon dissolution.** Except as provided by the express terms of a governing instrument, other than a trust instrument under section 501C.1207, executed prior to the dissolution or annulment of an individual's marriage, a court order, a contract relating to the division of the marital property made between individuals before or after their marriage, dissolution, or annulment, or a plan document governing a qualified or nonqualified retirement plan, the dissolution or annulment of a marriage revokes any revocable:

(1) disposition, beneficiary designation, or appointment of property made in a governing instrument by an individual to the individual's former spouse ~~in a governing instrument~~ or any members of the former spouse's family who are not also members of the individual's family;

(2) provision in a governing instrument conferring a general or nongeneral power of appointment on an individual's former spouse; and

(3) nomination in a governing instrument, nominating an individual's former spouse or any members of the former spouse's family who are not also members of the individual's family to serve in any fiduciary or representative capacity, including a personal representative, executor, trustee, conservator, agent, or guardian.

ARTICLE 14

MORTGAGE FORECLOSURE

Section 1. Minnesota Statutes 2024, section 272.45, is amended to read:

272.45 TAXES PAID BY TENANT, OCCUPANT, OR OTHER PERSON BECOME LIEN, UPON NOTICE FILED WITH COUNTY RECORDER OR REGISTRAR OF TITLES.

When any past due or delinquent tax on land is paid by any occupant, tenant, or person with ~~an~~ a legal or equitable interest in the land other than a lien, or a person acting on that person's behalf, which, by agreement or otherwise, ought to have been paid by the owner, lessor, or other party in interest, such occupant, tenant, or person may recover by action the amount which such owner, lessor, or party in interest ought to have paid, with interest thereon at the rate of 12 percent per annum, or may retain the same from any rent due or accruing from the person to such owner or lessor for land on which such tax is so paid. A person making a payment under this section may file with the county recorder or registrar of titles of the proper county a ~~notice~~ sworn statement stating the amount and date of such payment, with a copy of the receipt attached, and stating the legal or equitable interest claimed in the land, with a description of the land against which the taxes were charged; and the same shall thereupon be a lien as of the date of recording of the sworn statement upon such land in favor of the person paying the same until the same is paid. The county recorder shall record such ~~notice~~ sworn statement in the indices maintained by the county recorder. The registrar of titles shall record the ~~notice~~ sworn statement on the certificate of title for the land. Upon the payment of any such lien, the person filing such ~~notice~~ sworn statement shall satisfy the same of record.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 3. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 4. Minnesota Statutes 2024, section 580.10, is amended to read:

580.10 SURPLUS.

Subdivision 1. **Demand for surplus.** In all cases not provided for in section 580.09, and except as required by subdivision 3, if, after sale of any real estate, made as herein prescribed, there remains in the hands of the officer making the sale any surplus money, after satisfying the mortgage, with interest, taxes paid, and costs of sale, the surplus shall be paid over by such officer, on demand, to the mortgagor, the mortgagor's legal representatives or assigns. Any surplus of $100 or greater shall be held by the sheriff for the duration of the time allowed for redemption under section 580.23 or

582.032, whichever is applicable, and if requested by the owner, applied toward a redemption as described in subdivision 3. If there is no redemption under section 580.23 or 582.032, a surplus of $100 or greater shall be paid first to junior creditors with liens of record at the time of the sheriff's sale in order of priority, if demanded by a junior creditor within the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and thereafter to the owner of record at the time of the sheriff's sale, or as provided by court order under section 580.28. A demand by a party other than the owner shall be accompanied by an affidavit stating the amount remaining unpaid and the interest creating a right to the surplus.

Subd. 2. **Notice of surplus.** When there is a surplus of $100 or greater, the sheriff shall notify the owner by mail sent to the property address, or, if no street address is assigned for the property on the property tax statement, to the taxpayer's address on the property tax statement, that a surplus exists and to call the sheriff's office for more information about the surplus and how to make a claim to the surplus. The notice shall also include contact information for the Minnesota Homeownership Center and a statement to call the Minnesota Homeownership Center for information about redemption and surplus.

Subd. 3. **Request by owner to have surplus applied.** At any time during the owner's redemption period, the owner of record at the time of the sheriff's sale may submit a written request to the sheriff to have the surplus applied to the redemption amount. The right to have the surplus applied to the redemption amount is not transferable to any subsequent owner.

Subd. 4. **Surplus less than $100.** If a surplus remains under $100, the sheriff may pay the surplus amount to the owner of record at the time of the sheriff's sale.

Subd. 5. **Resolution of competing claims.** If there are competing claims or if it appears to the sheriff that any claim is not meritorious, the sheriff may apply to the court in the county in which the sale was made and set forth by petition the facts then known to the sheriff, and the names and addresses of the owner and all known claimants to the surplus, at no cost to the sheriff. The sheriff shall retain the surplus until further order of the court under section 580.28. If a hearing is scheduled, the sheriff may participate in an advisory capacity. The sheriff shall be represented by the county attorney. The sheriff shall give notice of the opening of the court file to the holders of the claims by service of the petition in the manner of a summons under the Rules of Civil Procedure. Failure of an owner to participate in the court action does not waive the right of that owner to the surplus.

Sec. 5. Minnesota Statutes 2024, section 580.225, is amended to read:

580.225 SATISFACTION OF ~~JUDGMENT~~ MORTGAGE.

The amount received from foreclosure sale under this chapter is full satisfaction of the mortgage debt, except as provided in section 582.30.

Sec. 6. Minnesota Statutes 2024, section 580.24, is amended to read:

580.24 REDEMPTION BY CREDITOR.

(a) If no redemption is made by the mortgagor, the mortgagor's personal representatives or assigns, the most senior creditor having a legal or equitable lien upon the mortgaged premises, or some part of it, subsequent to the foreclosed mortgage, may redeem within ~~seven~~ 14 days after the

expiration of the redemption period determined under section 580.23 or 582.032, whichever is applicable; and each subsequent creditor having a lien may redeem, in the order of priority of their respective liens, within ~~seven~~ 14 days after the time allowed the prior lienholder by paying the amount required under this section. However, no creditor is entitled to redeem unless, one week or more prior to the expiration of the period allowed for redemption by the mortgagor, the creditor:

(1) records with each county recorder and registrar of titles where the foreclosed mortgage is recorded a notice of the creditor's intention to redeem;

(2) records with each county recorder and registrar of titles where the notice of the creditor's intention to redeem is recorded all documents necessary to create the lien on the mortgaged premises and to evidence the creditor's ownership of the lien, including a copy of any money judgment necessary to create the lien; and

(3) after complying with clauses (1) and (2), delivers to the sheriff who conducted the foreclosure sale or the sheriff's successor in office a copy of each of the documents required to be recorded under clauses (1) and (2), with the office, date and time of filing for record stated on the first page of each document.

The sheriff shall maintain for public inspection all documents delivered to the sheriff and shall note the date of delivery on each document. The sheriff may charge a fee of $100 for the documents delivered to the sheriff relating to each lien. The sheriff shall maintain copies of documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

(b) Saturdays, Sundays, legal holidays, and the first day following the expiration of the prior redemption period must be included in computing the ~~seven-day~~14-day redemption period. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day must be omitted from the computation. The order of redemption by judgment creditors subsequent to the foreclosed mortgage shall be determined by the order in which their judgments were entered as memorials on the certificate of title for the foreclosed premises or docketed in the office of the district court administrator if the property is not registered under chapter 508 or 508A, regardless of the homestead status of the property. All mechanic's lienholders who have coordinate liens shall have one combined ~~seven-day~~ 14-day period to redeem.

(c) The amount required to redeem from the holder of the sheriff's certificate of sale is the amount required under section 580.23. The amount required to redeem from a ~~person~~ creditor holding a certificate of redemption is:

(1) the amount paid to redeem as shown on the certificate of redemption; plus

(2) interest on that amount to the date of redemption at the rates stated on the certificate of sale and the affidavit provided by section 580.25, clause (3), or six percent if no rate is otherwise stated; plus

(3) the amount claimed due on the ~~person's~~ creditor's lien, as shown on the affidavit under section 580.25, clause (3).

(d) If the sheriff determines there is a dispute or question of validity about a redemption, the sheriff may accept the amount required to redeem, together with documents in support of the

redemption, from one or more creditors competing for or claiming a right to redeem, without executing and delivering a certificate of redemption, and the sheriff may commence an action under section 580.28 at no cost to the sheriff. A creditor subject to a dispute or question of validity about a redemption may submit the matter for adjudication of the court under section 580.28. If the sheriff does not execute and deliver a certificate of redemption under this section, all further junior creditor redemption periods are stayed until determined by the court, and all junior creditors who have recorded notices of intent to redeem should be included in the action under section 580.28. The amount required to redeem may be paid to the holder of the sheriff's certificate of sale or the certificate of redemption, as the case may be, or to the sheriff for the holder.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 580.25, is amended to read:

580.25 CREDITOR REDEMPTION, HOW MADE.

Redemption shall be made as provided in this section.

The ~~person~~ creditor desiring to redeem shall pay the amount required by law for the redemption, and shall produce to the person or officer receiving the redemption payment:

(1) a copy of the docket of the judgment, or of the recorded deed or mortgage, or of the record or files evidencing any other lien under which the ~~person~~ creditor claims a right to redeem;

(2) a copy of any recorded assignment necessary to evidence the ~~person's~~ creditor's ownership of the lien. If the redemption is under an assignment of a judgment, the assignment shall be filed in the court entering the judgment, as provided by law, and the ~~person~~ creditor so redeeming shall produce a copy of it and of the record of its filing, and the copy of the docket shall show that the proper entry was made upon the docket. No further evidence of the assignment of the judgment is required unless the mortgaged premises or part of it is registered property, in which case the judgment and all assignments of the judgment must be entered as a memorial upon the certificate of title to the mortgaged premises and a copy of the judgment and each assignment with the certificate of record endorsed on it must be produced; and

(3) an affidavit of the ~~person~~ creditor or the ~~person's~~ creditor's agent, ~~showing the amount then actually claimed due on the person's~~ identifying the lien ~~and required to be paid on the lien in order to redeem from the person~~ under which the creditor claims a right to redeem and stating the amount then actually claimed due and owing on the lien and stating the interest rate on the lien. Additional fees and charges may be claimed due only as provided in section 582.03. The sheriff receiving the affidavit may furnish a copy of the affidavit to any interested party, upon request.

If redemption is made to the sheriff, the sheriff may charge a fee of $250 for issuing the certificate of redemption and any related service. No other fee may be charged by the sheriff for a redemption.

Within 24 hours after a redemption is made, or as soon as reasonably possible, the person redeeming shall cause the documents so required to be produced to be recorded with the county recorder, or registrar of titles, or both when appropriate, who may receive fees as prescribed in section 357.18 or 508.82. If the redemption is made at any place other than the county seat, it is sufficient forthwith to deposit the documents in the nearest post office, addressed to the recorder or

registrar of titles, with the postage prepaid within 24 hours after redemption is made or as soon as reasonably possible. A person recording documents produced for redemption shall, on the same day, deliver copies of the documents to the sheriff for public inspection. The sheriff may receive a fee of $20 for the documents delivered following a redemption. The sheriff shall note the date of delivery on the documents and shall maintain for public inspection all documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 580.26, is amended to read:

580.26 CERTIFICATE OF REDEMPTION; RECORD.

The person or officer from whom such redemption is made shall make and deliver to the person redeeming a certificate executed and acknowledged in the same manner as a conveyance, containing:

(1) if redeemed under section 580.23 or 582.032, the name of the ~~person~~ mortgagor or the mortgagor's legal representative or assignee redeeming, and if redeemed under section 580.25, the name of the creditor redeeming, and the amount paid ~~by the person on such redemption~~ to redeem;

(2) a description of the sale for which such redemption is made, and of the property redeemed;

(3) a statement of the claim upon which such redemption is made and, if upon a lien, the amount claimed to be due thereon at the date of redemption.

If redemption is made by the owner of the property sold, the owner's heirs, personal representatives, or assigns, such certificate shall be recorded within ~~four days~~ one week after the expiration of the period allowed by law to the owner for redemption and, if made by a creditor holding a lien, the certificate shall be recorded within ~~four days~~ one week after such redemption. Unless so recorded, the certificate shall be void ~~as~~ only against any person in good faith redeeming from the same person or lien.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 580.28, is amended to read:

580.28 ACTION TO SET ASIDE MORTGAGE; FORECLOSURE; REDEMPTION.

When an action is brought wherein it is claimed that any mortgage as to the plaintiff or person for whose benefit the action is brought is fraudulent or void, or has been paid or discharged, in whole or in part, or the relative priority or the validity of liens, redemption rights, or rights to any surplus is disputed, if such mortgage has been foreclosed by advertisement, and the time for redemption from the foreclosure sale will expire before final judgment in such action, the plaintiff or beneficiary having the right to redeem, for the purpose of saving such right in case the action fails, may deposit with the sheriff before the time of redemption expires the amount for which the mortgaged premises were sold, with interest thereon to the time of deposit, together with a ~~bond to the holder of the sheriff's certificate of sale, in an amount and with sureties to be approved by the sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit if the action fail~~ separate deposit with the sheriff of one year's interest on the amount deposited. The person shall, in writing, notify

such sheriff that ~~the person claims the mortgage to be fraudulent or void, or to have been paid or discharged, in whole or in part, as the case may be, and that~~ such action is pending, and direct the sheriff to retain such money ~~and bond~~ until final judgment or other order of the court. ~~In case such action fails~~ If so ordered by the court, such deposit shall operate as a redemption of the premises from such foreclosure sale, and entitle the plaintiff to a certificate thereof. Such foreclosure, deposit, ~~bond,~~ and notice shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the foreclosure sale, and the rights of the parties to the moneys ~~and bond~~ so deposited, which shall be paid and delivered by the sheriff as directed by such judgment upon delivery to the sheriff of a certified copy thereof. The remedy herein provided shall be in addition to other remedies now existing.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 11. Minnesota Statutes 2024, section 582.03, subdivision 1, is amended to read:

Subdivision 1. **Allowable costs collectable upon redemption.** The holder of any sheriff's certificate of sale, from a foreclosure by advertisement or action of a mortgage or lien or execution, or the holder of any certificate of redemption as a junior creditor during the period of redemption, may pay and claim the following on redemption: any taxes or assessments on which any penalty would otherwise accrue, and any costs of a hazard insurance policy for the holder's interest in the mortgaged premises incurred for the period of holding the sheriff's certificate, any costs incurred when an order to reduce a mortgagor's redemption period under section 582.032 is entered, including costs and disbursements awarded under section 582.032, subdivision 9, any fees paid to the county recorder, registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not to exceed one-half of the amount authorized by section 582.01, any costs incurred under section 582.031, and any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed in default or that becomes due during the period of redemption. In all such cases, the costs so paid and claimed due, with interest from the date of payment at the rate stated in the certificate of sale or at six percent if no rate is stated, shall be a part of the sum required to be paid to redeem from such sale. No other costs, fees, interest, or other amount may be added to the amount necessary to redeem.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 582.03, subdivision 2, is amended to read:

Subd. 2. **Affidavit of allowable costs.** Any payments made and claimed due under subdivision 1 shall be proved by the affidavit of the holder of the sheriff's certificate or its agent or attorney, itemizing each of the allowable costs and the date of payment and describing the premises. The affidavit must be filed with the sheriff of the county in which the sale was held at any time prior to expiration of the mortgagor's redemption period. Upon written request by the sheriff, the holder of the sheriff's certificate or certificate of redemption shall provide an affidavit of allowable costs to the sheriff within seven days of the date of the request by the sheriff. If the mortgagor does not redeem within seven days after the affidavit is filed, the holder of the sheriff's certificate may file a supplemental affidavit if additional allowable costs are incurred during the redemption period. If the holder of the sheriff's certificate or certificate of redemption fails to respond to the sheriff's request within seven days, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. If the time allowed to redeem is less than seven days from the expiration of the redemption period, the sheriff shall make a reasonable effort to request the affidavit of allowable costs in writing from the holder of the sheriff's certificate, its agent, or attorney before issuing a certificate of redemption. If the affidavit of allowable costs is not provided more than one business day before the expiration of the redemption period, at any time one business day or less before the expiration of the redemption period, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. The amount calculated by the sheriff, absent malfeasance by the sheriff, binds the holder of the sheriff's certificate even if the amount calculated by the sheriff is less than the actual amount due.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 582.043, subdivision 6, is amended to read:

Subd. 6. **Dual tracking.** (a) If the servicer has received a loss mitigation application and the subject mortgage loan has not already been referred to an attorney for foreclosure, a servicer shall not refer the subject mortgage loan to an attorney for foreclosure while the mortgagor's application is pending, unless:

(1) the servicer determines that the mortgagor is not eligible for any loss mitigation option, the servicer informs the mortgagor of the determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines the loss mitigation offer in writing.

(b) If the servicer receives a loss mitigation application after the subject mortgage loan has been referred to an attorney for foreclosure, but before a foreclosure sale has been scheduled, a servicer shall not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(c) If the servicer receives a loss mitigation application after the foreclosure sale has been scheduled, but before midnight of the seventh business day prior to the foreclosure sale date, the servicer must halt the foreclosure sale and evaluate the application. If required to halt the foreclosure sale and evaluate the application, the servicer may cancel the foreclosure sale or postpone the foreclosure sale under section 580.07, subdivision 1, but must not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless 60 days have passed since the occurrence of one of the following, whichever is applicable:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(d) A servicer shall not move for an order of foreclosure or conduct a foreclosure sale under any of the following circumstances:

(1) the mortgagor is in compliance with the terms of a trial or permanent loan modification, or other loss mitigation option; or

(2) a short sale has been approved by all necessary parties and proof of funds or financing has been provided to the servicer.

ARTICLE 15

CIVIL LAW

Section 1. Minnesota Statutes 2024, section 144.223, is amended to read:

144.223 REPORT OF MARRIAGE.

Data relating to the number of certificates of marriage registered ~~shall~~ must be reported to the state registrar by the local registrar or designee of the county board in each of the 87 registration districts ~~pursuant to the rules of the commissioner. The information in clause (1) necessary to compile~~

~~the report shall be furnished by the applicant prior to the issuance of the marriage license. The report shall contain the following:~~ in a format and with the frequency determined by the state registrar.

~~(1) personal information on bride and groom:~~

~~(i) name;~~

~~(ii) residence;~~

~~(iii) date and place of birth;~~

~~(iv) if previously married, how terminated; and~~

~~(v) signature of applicant, date signed, and Social Security number; and~~

~~(2) information concerning the marriage:~~

~~(i) date of marriage;~~

~~(ii) place of marriage; and~~

~~(iii) civil or religious ceremony.~~

Sec. 2. Minnesota Statutes 2024, section 260C.419, subdivision 2, is amended to read:

Subd. 2. **Statewide Office of Appellate Counsel and Training; establishment.** (a) The Statewide Office of Appellate Counsel and Training is ~~established as an independent state office~~ created as an agency in the executive branch, with powers and duties established by law. The office shall be responsible for:

(1) establishing and maintaining a system for providing appellate representation to parents in juvenile protection matters, as provided in section 260C.163, subdivision 3, paragraph (c), and in Tribal court jurisdictions;

(2) providing training to all parent attorneys practicing in the state on topics relevant to their practice and establishing practice standards and training requirements for parent attorneys practicing in the state; and

(3) collaborating with the Minnesota Department of Children, Youth, and Families to coordinate and secure federal Title IV-E support for counties and Tribes interested in accessing federal funding.

(b) The office shall be governed by a board as provided in subdivision 3.

Sec. 3. Minnesota Statutes 2024, section 260C.419, subdivision 3, is amended to read:

Subd. 3. **State Board of Appellate Counsel and Training; structure; membership.** (a) The State Board of Appellate Counsel and Training is established to direct the Statewide Office of Appellate Counsel and Training. The board shall consist of seven members, including:

(1) four public members appointed by the governor; and

(2) three members appointed by the supreme court, at least one of whom must have experience representing parents in juvenile court and who include two attorneys admitted to practice law in the state and one public member.

(b) The appointing authorities may not appoint any of the following to be a member of the board:

(1) a person who is a judge;

(2) a person who is a registered lobbyist;

(3) a person serving as a guardian ad litem or counsel for a guardian ad litem;

(4) a person who serves as counsel for children in juvenile court;

(5) a person under contract with or employed by the Department of Children, Youth, and Families or a county department of human or social services; or

(6) a current city or county attorney or assistant city or county attorney.

(c) All members shall demonstrate an interest in maintaining a high quality, independent appellate defense system for parents in juvenile protection proceedings who are unable to obtain adequate representation, a robust program for parent attorneys in Minnesota, and an efficient coordination effort, in collaboration with the Department of Children, Youth, and Families, to secure and utilize Title IV-E funding. At least one member of the board appointed by the governor must be a representative from a federally recognized Indian Tribe. No more than five members of the board may belong to the same political party. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. To the extent practicable, the membership of the board must include persons with disabilities, reflect the ethnic diversity of the state, take into consideration race and gender, and include persons from throughout the state. The members shall be well acquainted with representing parents in district court and appellate proceedings related to child protection matters as well as the law that affects a parent attorney's work, including chapter 260C, the Rules of Juvenile Protection Procedure, the Rules of Civil Appellate Procedure, the Indian Child Welfare Act, and the Minnesota Indian Family Preservation Act. The terms, compensation, and removal of members shall be as provided in section 15.0575. The governor shall designate one member to serve as the initial chair. Upon the expiration of the initial chair's term, board members shall elect a chair from among the membership and the chair shall serve a term of two years.

Sec. 4. Minnesota Statutes 2024, section 260C.419, subdivision 4, is amended to read:

Subd. 4. **Head appellate counsel for parents; assistant ~~and contracted~~ attorneys; other employees.** (a) Beginning January 1, 2024, and for every four years after that date, the board shall appoint a head appellate counsel in charge of executing the responsibilities of the office who shall provide for sufficient appellate counsel for parents and other personnel necessary to discharge the functions of the office. The head appellate counsel shall serve a four-year term and may be removed only for cause upon the order of the board. The head appellate counsel shall be a full-time ~~qualified~~ attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies of the office shall be filled by the appointing authority for the unexpired term. The head appellate counsel shall devote full time to the performance of duties and shall not engage in the

general practice of law. The ~~compensation~~ salary of the head appellate counsel shall be set ~~by the board and shall be commensurate with county attorneys in the state~~ according to section 43A.18, subdivision 3.

(b) ~~Consistent with the decisions of the board,~~ The head appellate counsel shall employ ~~assistants or hire independent contractors~~ or appoint attorneys to serve as assistant appellate counsel for parents. Each assistant appellate counsel ~~and independent contractor~~ serves at the pleasure of the head appellate counsel. The ~~compensation of~~ salary ranges for assistant appellate counsel ~~and independent contractors~~ shall be set ~~by the board and shall be commensurate with county attorneys in the state~~ in consultation with Minnesota Management and Budget.

(c) A person serving as appellate counsel shall be ~~a qualified~~ an attorney licensed to practice law in this state. A person serving as appellate counsel practicing in Tribal court shall be a licensed attorney qualified to practice law in Tribal courts in the state. Assistant appellate counsel and contracted appellate counsel may engage in the general practice of law where not employed or contracted to provide services on a full-time basis.

(d) The head appellate counsel shall, consistent with the responsibilities under subdivision 2, employ or hire the following:

(1) one managing appellate attorney;

(2) two staff attorneys;

(3) one director of training;

(4) one program administrator to support Title IV-E reimbursement in collaboration with the Department of Children, Youth, and Families; and

(5) one office administrator.

(e) ~~Each employee~~ All attorneys identified in paragraph (d) ~~serves~~ serve at the pleasure of the head appellate counsel. ~~The~~ Other employees shall serve in the classified service. Compensation ~~of each employee~~ for all employees shall be set by the board ~~and shall be commensurate with county attorneys in the state.~~ in accordance with the collective bargaining agreements or compensation plans covering the terms and conditions for executive branch employees.

(f) Any person serving as managing appellate attorney, staff attorney, and director of training shall be a qualified attorney licensed to practice law in the state.

(g) A person serving as the program administrator and office administrator must be chosen solely on the basis of training, experience, and qualifications.

Sec. 5. **[325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.**

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

(b) "Intimate part" has the meaning given in section 609.341, subdivision 5.

(c) "Nudify" or "nudified" means the process by which:

(1) an image or video is altered or generated to depict an intimate part not depicted in an original unaltered image or video of an identifiable individual; and

(2) the altered or generated image or video is so realistic that a reasonable person would believe that the intimate part belongs to the identifiable individual.

Subd. 2. **Nudification prohibited.** A person who owns or controls a website, application, software, program, or other service that creates, generates, or edits images or videos must not:

(1) allow a user to access, download, or use the website, application, software, program, or other service to nudify an image or video; or

(2) nudify an image on behalf of a user.

Subd. 3. **Civil action; damages.** An individual depicted in an image or video that was nudified in violation of this section may bring a civil action in district court against the person who violated this section for:

(1) compensatory damages, including mental anguish or suffering, in an amount up to three times the actual damages sustained;

(2) punitive damages;

(3) injunctive relief;

(4) reasonable attorney fees, costs, and disbursements; and

(5) other relief the court deems just and equitable.

Subd. 4. **Penalties.** (a) The attorney general may enforce this section under section 8.31. In addition to other remedies or penalties, a person who violates this section is subject to a civil penalty not in excess of $500,000 for each unlawful access, download, or use under subdivision 2.

(b) Notwithstanding any contrary provision in law, including but not limited to section 16A.151, any civil penalty recovered under this subdivision must be deposited into the general fund. On July 1 of each year, the accumulated balance of civil penalties collected in the previous year is appropriated to the commissioner of public safety for the Office of Justice Programs to provide grants to organizations to provide direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. Up to five percent of the appropriation is available for grant administration.

Subd. 5. **Jurisdiction; venue.** (a) A court has jurisdiction over a civil action filed pursuant to this section if the plaintiff or defendant resides in this state.

(b) A civil action arising under this section may be filed in the county where the plaintiff resides.

Subd. 6. **Immunity.** This section does not alter or amend the liabilities and protections granted by United States Code, title 47, section 230, and shall be construed in a manner consistent with federal law.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 6. Minnesota Statutes 2024, section 517.04, is amended to read:

517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and ~~is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, the residential school superintendent of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, a licensed or ordained minister of any religious denomination, an individual~~ who registers as a civil marriage officiant with a local registrar in a county of this state~~, or by any mode recognized in section 517.18. For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48~~. The county where the civil marriage officiant is registered must be endorsed upon and recorded with each certificate of civil marriage.

Sec. 7. Minnesota Statutes 2024, section 517.08, subdivision 1a, is amended to read:

Subd. 1a. **Form.** Application for a civil marriage license shall be made by both of the parties upon a form provided for the purpose and shall contain the following information:

(1) the full names of the parties ~~and the sex of each party~~;

(2) their post office addresses and county and state of residence;

(3) their full ages and dates of birth;

(4) if either party has previously been married, the party's married name~~, and~~ from the most recent marriage; the date, place, and court in which the civil marriage was dissolved or annulled; or the date and place of death of the former spouse;

(5) whether the parties are related to each other, and, if so, their relationship;

(6) the address of the parties after the civil marriage is entered into to which the local registrar shall send a certified copy of the civil marriage certificate;

(7) the full names the parties will have after the civil marriage is entered into and the parties' Social Security numbers. The Social Security numbers must be collected for the application but

must not appear on the civil marriage license. If a party listed on a civil marriage application does not have a Social Security number, the party must certify on the application, or a supplement to the application, that the party does not have a Social Security number;

(8) if one party to the civil marriage license has a felony conviction under Minnesota law or the law of another state or federal jurisdiction, the party may not change the party's name through the marriage application process and must follow the process in section 259.13 to change the party's name; and

(9) notice that a party who has a felony conviction under Minnesota law or the law of another state or federal jurisdiction may not use a different name after a civil marriage except as authorized by section 259.13, and that doing so is a gross misdemeanor.

Sec. 8. Minnesota Statutes 2024, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. The local registrar may examine the parties upon oath in person, by telephone, remotely using web conferencing technology, or by requiring a verified statement signed by both parties attesting to the legality of the marriage. The local registrar may accept civil marriage license applications signed by both parties that are submitted by mail, facsimile, or electronic filing. Both parties must present proof of age to the local registrar. If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party. The civil marriage license must not be released until the verification statement and proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), The local registrar shall collect from the applicant a fee of $115 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed $1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is $40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The

education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that ..... (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

Sec. 9. Minnesota Statutes 2024, section 517.09, subdivision 1, is amended to read:

Subdivision 1. **General.** ~~No particular form is required to solemnize a civil marriage, except: the parties~~ Both applicants shall declare in the presence of a person who is not the same individual as the applicant or the witness, authorized to solemnize civil marriages and two attending witnesses that each takes the other as spouse~~; or the civil marriage shall be solemnized in a manner provided by section 517.18~~.

Sec. 10. Minnesota Statutes 2024, section 517.10, is amended to read:

517.10 CERTIFICATE; WITNESSES.

The person solemnizing a civil marriage shall ~~prepare~~ complete and sign a marriage certificate provided by the local registrar. The certificate shall contain the full names of the parties before and after the civil marriage, the birth dates of the parties, and county and state of residences of the parties and the date and place of the civil marriage. The certificate shall also contain the signatures of the applicants' legal names after marriage and at least two of the witnesses present at the civil marriage who shall be at least 16 years of age. The person solemnizing the civil marriage shall immediately make a record of such civil marriage, and file such certificate with the local registrar of the county in which the license was issued within five days after the ceremony. The local registrar shall record such certificate in the county civil marriage records.

Sec. 11. **[517.103] AMENDMENT OF MARRIAGE RECORDS.**

(a) To request an amendment of an error in a marriage record, a person must submit the following documentation to the local registrar:

(1) an affidavit stating the reason for an amendment of the marriage record; and

(2) documentation supporting the amendment.

(b) A local registrar may amend a marriage record if the local registrar:

(1) receives an affidavit and documentation supporting the amendment of a marriage record; and

(2) the local registrar determines that the affidavit and supporting documentation establish that the marriage record contains an error.

(c) The local registrar must retain and maintain an affidavit and documentation upon which the amendment of a marriage record was based, including the date of the amendment and the legal name of the authorized person making the amendment.

(d) The local registrar must not amend a marriage record if:

(1) an applicant fails to submit the documentation required for amending a marriage record; or

(2) the local registrar has reason to question the validity or completeness of the applicant's affidavit or supporting documentation.

Sec. 12. Minnesota Statutes 2024, section 524.5-120, is amended to read:

524.5-120 BILL OF RIGHTS FOR PERSONS SUBJECT TO GUARDIANSHIP OR CONSERVATORSHIP.

The person subject to guardianship or person subject to conservatorship retains all rights not restricted by court order and these rights must be enforced by the court. These rights include the right to:

(1) treatment with dignity and respect;

(2) due consideration of current and previously stated personal desires and preferences, including but not limited to medical treatment preferences, cultural practices, religious beliefs, and other preferences and opinions in decisions made by the guardian or conservator;

(3) participate in decision making about and receive timely and appropriate health care and medical treatment that does not violate known preferences or conscientious, religious, or moral beliefs of the person subject to guardianship or person subject to conservatorship;

(4) exercise control of all aspects of life unless delegated specifically to the guardian or conservator by court order;

(5) guardianship or conservatorship services individually suited to the conditions and needs of the person subject to guardianship or the person subject to conservatorship;

(6) petition the court to prevent or initiate a change in abode;

(7) care, comfort, social and recreational needs, employment and employment supports, training, education, habilitation, and rehabilitation care and services, within available resources;

(8) be consulted concerning, and to decide to the extent possible, the reasonable care and disposition of the clothing, furniture, vehicles, and other personal property and effects of the person subject to guardianship or person subject to conservatorship, to object to the disposition of personal

property and effects, and to petition the court for a review of the guardian's or conservator's proposed disposition;

(9) personal privacy;

(10) communicate, visit, or interact with others, including receiving visitors ~~or~~, making or receiving telephone calls, sending or receiving personal mail, ~~or~~ sending or receiving electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses ~~a~~ an imminent risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate the significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible, including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court~~,~~; to the person subject to guardianship~~,~~ and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(11) marry and procreate, unless court approval is required;

(12) elect or object to sterilization as provided in section 524.5-313, paragraph (c), clause (4), item (iv);

(13) at any time, petition the court for termination or modification of the guardianship or conservatorship, and any decisions made by the guardian or conservator in relation to powers granted, or for other appropriate relief;

(14) be represented by an attorney in any proceeding or for the purpose of petitioning the court;

(15) vote, unless restricted by the court;

(16) be consulted concerning, and make decisions to the extent possible, about personal image and name, unless restricted by the court; and

(17) execute a health care directive, including both health care instructions and the appointment of a health care agent, if the court has not granted a guardian any of the powers or duties under section 524.5-313, paragraph (c), clause (1), (2), or (4).

Sec. 13. Minnesota Statutes 2024, section 524.5-311, is amended to read:

524.5-311 EMERGENCY GUARDIAN.

(a) If the court finds that compliance with the procedures of this article will likely result in substantial harm to the respondent's health, safety, or welfare, and that no other person appears to have authority and willingness to act in the circumstances, the court, on petition by a person interested

in the respondent's welfare, may appoint an emergency guardian whose authority may not exceed 60 days and who may exercise only the powers specified in the order. A county that is acting under section 626.557, subdivision 10, by petitioning for appointment of an emergency guardian on behalf of a vulnerable adult may be granted authority to act for a period not to exceed 90 days. An emergency guardian's appointment under this section may only be extended once for a period not to exceed 60 days if the court finds good cause for the continuation of the guardianship. Immediately upon receipt of the petition for an emergency guardianship, the court shall appoint a lawyer to represent the respondent in the proceeding. Except as otherwise provided in paragraph (b), reasonable notice of the time and place of a hearing on the petition must be given to the respondent; interested parties, if known; and any other persons as the court directs.

(b) An emergency guardian may be appointed without notice to the respondent and the respondent's lawyer only if the court finds from affidavit or other sworn testimony that the respondent will be substantially harmed before a hearing on the appointment can be held and the petitioner made good faith efforts to provide notice to the respondent or the respondent's lawyer. If the court appoints an emergency guardian without notice to the respondent, the respondent must be given notice of the appointment within 48 hours after the appointment. The court shall hold a hearing on the appropriateness of the appointment within five days after the appointment.

(c) Appointment of an emergency guardian, with or without notice, is not a determination of the respondent's incapacity.

(d) The court may remove an emergency guardian at any time. An emergency guardian shall make any report the court requires. In other respects, the provisions of this article concerning guardians apply to an emergency guardian.

(e) Any documents or information disclosing or pertaining to health or financial information shall be filed as confidential documents, consistent with the bill of particulars under section 524.5-121.

(f) The mere fact that the respondent is a patient in a hospital or a resident of a facility is not in and of itself sufficient evidence to support a risk of substantial harm to the respondent's health, safety, or welfare.

Sec. 14. Minnesota Statutes 2024, section 524.5-313, is amended to read:

524.5-313 POWERS AND DUTIES OF GUARDIAN.

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every

case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to provide needed care and services. A guardian may not restrict the ~~ability~~ right of the person subject to guardianship to communicate, visit, or interact with others pursuant to section 524.5-120, clause (10), including receiving visitors ~~or~~, making or receiving telephone calls, sending or receiving personal mail, ~~or~~ sending or receiving electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe a restriction of communication, visitation, or interaction is necessary because interaction with the person poses ~~a~~ an imminent risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid or mitigate such significant harm. If the guardian believes a restriction is necessary, the guardian must first seek limited restrictions whenever possible,

including supervised visits, phone calls, video calls, written correspondence, or limits on the length, frequency, or content of communication. In all cases, the guardian shall provide written notice of the restrictions imposed to the court~~,~~; to the person subject to guardianship~~,~~ and their attorney, if known; and to the person subject to restrictions within 48 hours of imposing the restriction. The notice shall include a description of the reason the restriction is imposed; a description of any limited restrictions attempted; if applicable, the reason the limited restrictions were not sufficient; and instructions on how to seek a modification of the restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

Sec. 15. **[604.33] CAUSE OF ACTION; NONCONSENSUAL REMOVAL OF A SEXUALLY PROTECTIVE DEVICE.**

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

(b) "Intimate part" means the sexual organ, anus, groin, or buttocks of any person, or the breast of a female.

(c) "Sexually protective device" means an internal or external condom, spermicide, diaphragm, cervical cap, contraceptive sponge, dental dam, or any other physical barrier device intended to prevent pregnancy or sexually transmitted infection. Sexually protective device does not include an intrauterine device or any hormonal birth control method.

Subd. 2. **Cause of action.** A cause of action for nonconsensual removal of a sexually protective device exists against the following:

(1) a person who intentionally removed a sexually protective device and caused contact between the sexual organ from which the sexually protective device was removed and the intimate part of another person who did not consent to the removal of the sexually protective device; or

(2) a person who intentionally removed a sexually protective device from another person's sexual organ without the other person's consent and caused contact between the sexual organ from which the sexually protective device was removed and their own intimate part.

Subd. 3. **Damages.** The court may award the following damages to a prevailing plaintiff from a person found liable under subdivision 2:

(1) general and special damages, including damages for mental anguish;

(2) punitive damages;

(3) statutory damages in an amount up to $10,000;

(4) injunctive relief and any other equitable relief the court deems just and appropriate; and

(5) costs, disbursements, and reasonable attorney fees.

Subd. 4. **Confidentiality.** The court shall allow confidential filings to protect the privacy of the plaintiff in cases filed under this section.

Subd. 5. **Other laws and remedies.** (a) The rights and remedies provided in this section are in addition to any other rights and remedies provided by law.

(b) Nothing in this section affects or modifies the rights and obligations under chapter 518A.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 16. **[626.5574] ORDER FOR PROTECTION AGAINST FINANCIAL EXPLOITATION OF A VULNERABLE ADULT.**

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

(b) "Conservator" has the meaning given in section 524.5-102, subdivision 3.

(c) "Financial exploitation" has the meaning given in section 626.5572, subdivision 9.

(d) "Guardian" has the meaning given in section 524.5-102, subdivision 5.

(e) "Lead investigative agency" has the meaning given in section 626.5572, subdivision 13.

(f) "Petitioner" means any of the following:

(1) a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(2) the guardian or conservator of a vulnerable adult currently experiencing or in imminent danger of financial exploitation;

(3) a person or organization acting on behalf of the vulnerable adult with the consent of the vulnerable adult or his or her guardian or conservator;

(4) an agent under a validly executed power of attorney with the authority specifically granted in the power of attorney; or

(5) a person who simultaneously files a petition under section 524.5-409, subdivision 2, for appointment of an emergency conservator with respect to the vulnerable adult.

(g) "Vulnerable adult" has the meaning given in section 626.5572, subdivision 21.

Subd. 2. **Jurisdiction; petition.** (a) A petitioner may petition the court for an order for protection against financial exploitation of a vulnerable adult seeking injunctive relief and any other equitable remedy the court deems appropriate with the court located in the county where the petitioner, respondent, or the vulnerable adult resides. There are no residency requirements that apply to a petition filed under this section. Actions under this section shall be given docket priorities by the court.

(b) A petition for relief under this section must:

(1) allege the existence of financial exploitation, or the imminent danger of financial exploitation, of the vulnerable adult;

(2) include the specific facts and circumstances for which relief is sought, including the relationship between the vulnerable adult and respondent;

(3) state whether the vulnerable adult has ever applied for or received an order for protection under this section or section 518B.01, or a restraining order under section 609.748; and

(4) state whether there are any pending actions between the vulnerable adult and the respondent.

(c) A person temporarily or permanently vacating a residence or household in an attempt to avoid financial exploitation does not affect the person's right to petition for an order under this section.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

Subd. 3. **Filing fee.** The filing fees for an order for protection against financial exploitation for a vulnerable adult under this section are waived for the petitioner and respondent.

Subd. 4. **Hearing.** Upon receipt of the petition, the court shall order a hearing which shall be held no later than 14 days from the date of the order for the hearing unless a temporary ex parte order is issued under subdivision 8. If the court issues a temporary ex parte order, the hearing must be held as provided under subdivision 8.

Subd. 5. **Service.** (a) Except as provided in paragraph (b), the petition and any order issued under this section must be served on the respondent as provided in section 518B.01, subdivisions 8, 8a, and 9a. If the petitioner is not the vulnerable adult, the petitioner must serve the vulnerable adult with a copy of the petition, notice of any hearing, and any orders issued under this section. If any assets or lines of credit are ordered to be frozen, the petitioner must serve the depository or financial institution with the order.

(b) If service on the respondent is not possible as provided in paragraph (a), the petitioner may serve the respondent through the method used to contact the vulnerable adult. The petitioner must provide to the court the reasons that service was not possible under section 518B.01, subdivision 8, 8a, or 9a.

Subd. 6. **Maltreatment report required.** Unless a report was made before a petition was filed under this section, the petitioner must file a report pursuant to section 626.557 within 24 hours of filing a petition under this section. This section does not modify or supersede mandated reporting requirements under section 626.557.

Subd. 7. **Factors.** In determining whether to award relief to the petitioner, the court may consider and evaluate all relevant factors, including any of the following:

(1) the existence of a current or previous order for protection issued under this section or section 518B.01, a current or previous harassment restraining order issued under section 609.748, or any previous or current similar order issued by another jurisdiction;

(2) any history of financial exploitation by the respondent upon the vulnerable adult identified in the petition or any other vulnerable adult;

(3) any history of the vulnerable adult's previous financial exploitation by the respondent or any other person;

(4) the capacity of the vulnerable adult to make decisions related to their finances and property;

(5) the susceptibility of the vulnerable adult to undue influence; or

(6) the respondent's criminal history.

Subd. 8. **Temporary ex parte order.** (a) The court may issue a temporary order for protection ex parte if the court finds that:

(1) there is an immediate and present danger of financial exploitation of the vulnerable adult;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) there is a substantial likelihood of success on the merits;

(4) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(5) a temporary order protects the vulnerable adult's financial security.

(b) A denial of a petition for an ex parte order must be by written order and must note the grounds for denial. When the only ground for denial is failure to demonstrate the immediate and present danger of financial exploitation of a vulnerable adult, the court must set a full hearing on the petition for an order for protection at the earliest possible date and within 14 days of the date of the court's denial order. Nothing in this paragraph limits a petitioner's right to promptly amend a petition consistent with court rules.

(c) An ex parte temporary order may be effective for a fixed period not to exceed 14 days unless good cause is shown to extend the order. The ex parte temporary order may be extended once for up to an additional 14 days. A full hearing, as provided by this section, must be set for a date no later than the date when the ex parte temporary order expires.

Subd. 9. **Relief.** (a) The court may grant relief as provided under this section, if upon notice and hearing and consideration of all relevant factors, the court finds that:

(1) the vulnerable adult is the victim of financial exploitation or the vulnerable adult is in imminent danger of becoming a victim of financial exploitation;

(2) there is a likelihood of irreparable harm and nonavailability of an adequate remedy at law;

(3) the threatened injury to the vulnerable adult outweighs possible harm to the respondent; and

(4) an order protects the vulnerable adult's financial security.

(b) In addition to any other injunctive or equitable relief the court deems appropriate, the court may grant any or all of the following relief in either a temporary ex parte or final order issued under this section:

(1) prohibit the respondent from direct or indirect contact with the vulnerable adult;

(2) restrain the respondent from committing any acts of financial exploitation against the vulnerable adult;

(3) hold financial accounts in accordance with chapter 45A or freeze any assets of the vulnerable adult in any depository or financial institution whether titled solely in the vulnerable adult's name, solely in the respondent's name, jointly with the respondent, in conservatorship, or in a trust, provided that:

(i) assets held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding;

(ii) assets held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition; and

(iii) assets held solely in the name of the respondent may only be frozen on an ex parte basis if the petition and affidavit demonstrate to the court probable cause that such assets are traceable to the financial exploitation of the vulnerable adult, that such assets are likely to be returned to the vulnerable adult after a final evidentiary hearing, and that no other adequate remedy at law is reasonably available;

(4) freeze any line of credit of the vulnerable adult at any depository or financial institution whether listed solely in the vulnerable adult's name or jointly with the respondent, provided that:

(i) lines of credit held by a conservator for the vulnerable adult may be frozen only by an order entered by the court overseeing the conservatorship proceeding; and

(ii) lines of credit held by a trust may be frozen only by an order of the court if all the trustees of the trust are served with process and are given reasonable notice before any hearing on the petition;

(5) if the court has ordered an asset and credit freeze, ordering that living expenses of the vulnerable adult continue to be paid;

(6) award to the vulnerable adult the temporary exclusive use and possession of the dwelling that the vulnerable adult and the respondent share or bar the respondent from the residence of the vulnerable adult;

(7) provide necessary directives to law enforcement agencies; and

(8) provide any terms the court deems necessary for the protection of the vulnerable adult or the vulnerable adult's assets.

Subd. 10. **Modifying or vacating an order; extensions and subsequent orders.** Upon application and notice to all parties as required under this section, the court may vacate an order, modify the terms of an existing order for protection, extend relief granted in an existing order for protection, or, if an order for protection has expired, issue a new order.

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. Section 518B.01, subdivision 13, applies to orders granted under this section.

Subd. 12. **Title to real property.** Nothing in this section affects title to real property.

Subd. 13. **Violation of an order for protection.** (a) A person is guilty of a misdemeanor if the person:

(1) knows of the existence of an order for protection issued under this section;

(2) is prohibited from direct or indirect contact with a vulnerable adult or restrained from committing any acts of financial exploitation against a vulnerable adult as provided in subdivision 9, paragraph (b); and

(3) violates the order by committing such conduct.

(b) A person who violates paragraph (a) within ten years of a previous conviction or adjudication of delinquency for a violation of this subdivision or section 609.2335, is guilty of a gross misdemeanor.

(c) A person who violates paragraph (a) within ten years of the first of two or more previous convictions or adjudications of delinquency for a violation of this subdivision or section 609.2335, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 14. **Admissibility of testimony in criminal proceeding.** Any testimony offered by a respondent in a hearing pursuant to this section is inadmissible in a criminal proceeding.

Subd. 15. **Other remedies available.** Any proceeding under this section shall be in addition to other civil or criminal remedies.

Sec. 17. **REPEALER.**

Minnesota Statutes 2024, sections 517.05; and 517.18, are repealed.

ARTICLE 16

STATUTORY FORMS FOR GARNISHMENT

Section 1. Minnesota Statutes 2024, section 550.136, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~

~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Judgment Creditor)~~

~~against~~

~~EXECUTION EXEMPTION~~

~~..... (Judgment Debtor)~~ ~~NOTICE AND NOTICE OF INTENT TO~~

~~and~~ ~~LEVY ON EARNINGS~~

~~..... (Third Party)~~

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . . .

Court File Number: . . . . . .

Case Type: . . . . . .

Creditor's full name

. . . . . **Execution Exemption**

against **Notice and Notice of**

Debtor's full name **Intent to Levy on Earnings**

. . . . . .

and

Third Party (bank, employer, or other)

. . . . . .

~~PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~

Warnings and Fines

(1) ~~Be advised that~~ Even if you claim an exemption, ~~an execution~~ a levy may still be served on your employer. If ~~your earnings are levied on~~ they take money from you after you claim an exemption, you may ~~petition~~ ask the court ~~for a determination of~~ to review your exemption. If the court finds that the ~~judgment~~ creditor ~~disregarded~~ ignored your claim of exemption in bad faith, you ~~will be~~ are entitled to costs, reasonable ~~attorney~~ lawyer fees, actual damages, and ~~an amount not~~ a fine up to ~~exceed~~ $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED~~ BUT if you claim an exemption, the ~~judgment~~ creditor can also ~~petition~~ ask the court ~~for a determination of~~ to review your exemption~~, and~~. If the court finds that you claimed an exemption in bad faith, you ~~will be assessed~~ are charged costs and reasonable ~~attorney's~~ lawyer fees ~~plus an amount not~~ and a fine up to ~~exceed~~ $100.

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer fees, and a fine up to $100.

~~DATED: . . . . . .~~

~~. . . . . .~~
~~(Attorney for Judgment Creditor)~~

~~. . . . . .~~
~~Address~~

~~. . . . . .~~
~~Telephone~~

Date: . . . . . .
Creditor's Signature: . . . . . .
(or creditor's lawyer's signature)
Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

~~JUDGMENT~~ **Debtor's Exemption Claim Notice**

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

~~Program~~	~~Case Number (if known)~~	~~County~~
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county you got it from ~~which relief has been received~~.)

~~Program~~	~~Case Number (if known)~~	~~County~~
Program:	Case #:	County: .....
Program:	Case #:	County: .....
Program:	Case #:	County: .....

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

Correctional Institution ..... Location .....

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the judgment creditor or judgment creditor's attorney.~~

.....

~~Debtor~~

.....

~~Address~~

.....

~~Debtor Telephone Number~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: .....
Debtor's Signature: .....
Debtor's Name: .....
Street Address: .....
City/State/Zip: .....
Phone: .....
Email: .....

Sec. 2. Minnesota Statutes 2024, section 550.136, subdivision 9, is amended to read:

Subd. 9. **Execution earnings disclosure form and worksheet.** The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~
~~FILE NO. . . . . .~~

~~. . . . . (Judgment Creditor)~~
~~against~~
~~. . . . . (Judgment Debtor)~~
~~and~~
~~. . . . . (Third Party)~~

~~EARNINGS EXECUTION DISCLOSURE~~

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .

Earnings Execution Disclosure
For Non-Child Support Judgments

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is also called the "third party garnishee" or "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

DEFINITIONS

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required~~

~~by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": ~~For the purpose of execution, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the ~~judgment~~ debtor has no regular payday, ~~payday(s)~~ then "payday" means the 15th and the last day of each month.

The Third Party/Employer Must Answer The Following Questions:

(1) Right now, do you ~~now~~ owe~~, or within 90 days from the date the execution levy was served on you, will you or may you owe~~ money to the ~~judgment~~ debtor for earnings?

Yes ..... No .....

~~(2) Does the judgment debtor earn more than $... per week? (this amount is the greater of $9.50 per hour or the federal minimum wage per week)~~

(2) Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

(3) Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: . . . . . .
Third Party's Name: . . . . . .
Third Party's Signature: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Instructions for Completing the Earnings Disclosure Worksheet

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

For each payday that falls within 90 days from the date the ~~execution~~ levy was served on you, you **must** calculate the amount of earnings to be ~~retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must**:

(1) Withhold the amount of earnings listed in Column I on the Earnings Disclosure Worksheet each payday.

(2) After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

(3) Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 90-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration~~

of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.

(3)	COLUMN A.	Enter the date of judgment debtor's payday.
(4)	COLUMN B.	Enter judgment debtor's gross earnings for each payday.
(5)	COLUMN C.	Enter judgment debtor's disposable earnings for each payday.
(6)	COLUMN D.	Enter 25 percent of disposable earnings. (Multiply column C by .25.)
(7)	COLUMN E.	Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a payday includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)
(8)	COLUMN F.	Subtract the amount in column E from the amount in column C, and enter here.
(9)	COLUMN G.	Enter here the lesser of the amount in column D and the amount in column F.
(10)	COLUMN H.	Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.) You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons. Enter zero in column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.
(11)	COLUMN I.	Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

~~DATED: . . . . . .~~

~~. . . . . .~~
~~Signature~~

~~. . . . . .~~
~~Title~~

~~. . . . . .~~
~~Telephone Number~~

~~. . . . . .~~
~~Debtor's Name~~

~~EARNINGS DISCLOSURE WORKSHEET~~

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 x MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

. . . . . .
Debtor's name

	A - Payday Date	B - Gross Earnings	C - Disposable Earnings
1.	. . . . .	$.	$. . . . .
2.	. . . . .	. . . . .	. . . . .
3.	. . . . .	. . . . .	. . . . .
4.	. . . . .	. . . . .	. . . . .
5.	. . . . .	. . . . .	. . . . .
6.	. . . . .	. . . . .	. . . . .
7.	. . . . .	. . . . .	. . . . .
~~8.~~	~~. . . . . .~~	~~. . . . . .~~	~~. . . . . .~~
~~9.~~	~~. . . . . .~~	~~. . . . . .~~	~~. . . . . .~~
~~10.~~	~~. . . . . .~~	~~. . . . . .~~	~~. . . . . .~~

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

	D ~~25~~ - % of withholding of Column C (Use the creditor's calculation)	E - Greater of ~~40 X $9.50 or~~ 40 X MN or Fed. Min. Wage	F - Column C minus Column E
1.			
2.			
3.			
~~4.~~			
5.			
6.			
7.			
~~8.~~			
~~9.~~			
~~10.~~			

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current MN minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

	G - Lesser of Column D and Column F	H - Setoff, Lien, Adverse Interest, or Other Claims	I - Column G minus Column H
1.			
2.			
3.			
~~4.~~			
5.			
6.			
7.			
~~8.~~			
~~9.~~			
~~10.~~			

TOTAL OF COLUMN I$ . . . . . .

Column G. Look at Column D and Column F. Enter the smaller amount of the two here in Column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in Column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~**If you entered any amount in Column H** for any ~~payday(s)~~ payday, ~~you must~~ describe those claims below ~~either your claims, or the claims of others~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others, ~~you must both state~~ list the names and addresses of ~~such persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

. . . . . .

~~Signature~~

~~Dated: . . .

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

~~On the ..... day of ....., ..., the time of service of execution herein, there was due and owing the judgment debtor from the third party the following:~~

Fill in the date you got this disclosure:

..... (month) ..... (day), ... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.~~ Write down the amount of money you owe the debtor (except earnings).

. . . . . .

(2) Property. Write a short description of any personal property, instruments, or papers belonging to the debtor that you have in your possession. List the monetary value of each thing.

. . . . . .

~~(2)~~ (3) Setoff. ~~Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt is void as to the judgment creditor.)~~ If you claim a setoff, defense, lien, or claim against the amount on lines (1) and (2) above, enter that amount on the line below. State the facts about your claim. **Note:** Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

. . . . . .

~~(3)~~ (4) Exemption. Enter any amounts or property that the debtor claims is exempt on the line below ~~any amounts or property claimed by the judgment debtor to be exempt from execution~~.

. . . . . .

~~(4)~~ (5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the judgment~~ of the debtor's property that other people claim they own or have interest in.

. . . . . .

~~(5)~~ (6) Enter ~~on the line below~~ the total of lines ~~(2), (3), and (4)~~ (3), (4), and (5) on the line below.

. . . . . .

~~(6)~~ (7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line ~~(5)~~ (6) is subtracted from the ~~amount on line~~ sum of lines (1) and (2) on the line below.

. . . . . .

~~(7) Enter on the line below~~ (8) Figure out 110 percent of the amount of the ~~judgment~~ creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

. . . . . .

~~(8) Enter on the line below the lesser of line (6) and line (7). You are hereby instructed to remit this amount only if it is $10 or more.~~

(9) Look at (7) and (8). Put the smaller number on the line below. Hold this amount only if it is $10 or more.

. . . . . .

AFFIRMATION

I, ... (person signing Affirmation), am the ~~third party~~ garnishee or I am authorized by the ~~third party~~ garnishee to complete this ~~nonearnings~~ non-earnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

~~Dated: . . . . . .~~

~~. . . . . .~~
~~Signature~~

~~. . . . . .~~
~~Title~~

~~. . . . . .~~
~~Telephone Number~~

Date: . . . . . .
Name: . . . . . .
Signature: . . . . . .
Title: . . . . . .
Phone: . . . . . Email: . . . . . .

Sec. 4. Minnesota Statutes 2024, section 550.143, subdivision 3a, is amended to read:

Subd. 3a. **Form of notice.** The notice required by subdivision 3 must be provided as a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Financial institution)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . . Court File Number: . . . . . Case Type: . . . . .

Creditor's full name
. . . . . **Notice of Levied Funds**
Debtor's full name
. . . . .
Third Party (bank, employer, or other)
. . . . .

IMPORTANT NOTICE

~~**YOUR FUNDS HAVE BEEN LEVIED**~~
Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources~~ a benefit on this list, ~~place~~ put a check ~~on the line on the form next to the sources of your money~~ in the box next to it. ~~If it is from one of these sources,~~ The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the Sheriff~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

See the attached *Exemption Form Instructions* and *Exemption Form* for your next steps.

Sec. 5. Minnesota Statutes 2024, section 550.143, subdivision 3b, is amended to read:

Subd. 3b. **Form of instructions.** The instructions required by this section must be in a separate form and must be substantially in the following form:

Exemption Form Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the ~~levy~~ garnishment. Send them to the creditor's lawyer (or to the creditor, if there isn't a lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the creditor's ~~attorney~~ lawyer (or to the creditor~~, if no attorney~~) ~~bank statements~~ along with your exemption claim, the financial institution may ~~release~~ give your money to the ~~Sheriff~~ creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

. . . . . .

~~(Insert name of creditor or creditor's attorney)~~

. . . . . .

~~(Insert address of creditor or creditor's attorney)~~

~~One copy goes to:~~

. . . . . .

~~(Insert name of bank)~~

. . . . . .

~~(Insert address of bank)~~

Creditor's Name: . . . . . .

(or creditor's lawyer's name)

Street Address: . . . . . .

City/State/Zip: . . . . . .

Phone: . . . . . Fax: . . . . . .

Email: . . . . . .

One copy goes to:

Bank's Name: . . . . . .

Street Address: . . . . . .

City/State/Zip: . . . . . .

Phone: . . . . . Fax: . . . . . .

Email: . . . . . .

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~or to the sheriff~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the ~~sheriff~~ creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that~~ and you ~~do not receive~~ don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 6. Minnesota Statutes 2024, section 550.143, subdivision 3c, is amended to read:

Subd. 3c. **Form of exemption form.** The exemption form required by this subdivision must be sent as a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF . . . . . JUDICIAL DISTRICT~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Financial institution)~~

State of Minnesota **District Court**
County of: . . . . . Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .
Creditor's full name
. . . . . **Exemption Form**
against
Debtor's full name
. . . . . .
Bank's name
. . . . . .

~~**EXEMPTION FORM**~~

A. How Much Money is Protected (Exempt)

. . . . . I claim ALL of the money being frozen by the bank is protected.

. . . . . I claim SOME of the money is protected. The amount I claim is protected is $.....

B. Why The Money is Protected

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

. . . . . **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% or more of your wages (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

. . . . . I get government benefits (a list of government benefits is on the next page)

. . . . . I am getting other assistance based on need

. . . . . I have gotten government benefits in the last 6 months

. . . . . I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money**.

. . . . . **Government benefits**

Government benefits ~~include, but are not limited to, the following~~ can include many things. For example:

~~**MFIP** - Minnesota Family Investment Program,~~

~~MFIP Diversionary Work Program,~~

~~**Work participation cash benefit,**~~

~~**GA** - General Assistance,~~

~~**EA** - emergency assistance,~~

~~**MA** - medical assistance,~~

~~**EGA** - emergency general assistance,~~

~~**MSA** - Minnesota Supplemental Aid,~~

~~**MSA-EA** - MSA Emergency Assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~. . . . . .~~

List the case number and county for every box you checked:

Case Number: . . . . . County: . . . . . .

Case Number: . . . . . County: . . . . . .

Case Number: . . . . . County: . . . . . .

~~County: . . . . . .~~

Government benefits also include:

. . . . . Social Security benefits

. . . . . Unemployment benefits

. . . . . Workers' compensation

. . . . . ~~**Veterans**~~ Veterans' benefits

If you ~~receive~~ get any of these government benefits, include copies of any documents ~~you have~~ that show you ~~receive Social Security, unemployment, workers' compensation, or veterans benefits~~ get them.

~~. . . . . **Other assistance based on need**~~

. . . . . I get other assistance based on need that is not on the list. It comes from: . . . . . .

. . . . . .

Make sure you include copies of any documents that show this.

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source: . . . . . .~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~. . . . . **All of your earnings (wages) are protected if:**~~

~~. . . . . You get government benefits (see list of government benefits)~~

~~. . . . . You currently receive other assistance based on need~~

~~. . . . . You have received government benefits in the last six months~~

~~. . . . . You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money.**~~

~~. . . . . **Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

C. Other ~~Exempt~~ Protected Funds

The money from ~~the following~~ these things are also completely protected after they are deposited in ~~your~~ my account.

. . . . . Child support

. . . . . ~~**An accident, disability, or retirement**~~ A retirement, disability, or accident pension or annuity

. . . . . Earnings of my child who is under 18 years of age

. . . . . Payments to ~~**you**~~ me from a life insurance policy

~~. . . . . **Earnings of your child who is under 18 years of age**~~

~~. . . . . **Child support**~~

. . . . . Money paid to ~~you~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~your~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

. . . . . Death benefits paid to ~~**you**~~ me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~, or its attorney~~ named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not~~ assistance, or ~~whether~~ if I have gotten ~~them~~ assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign ~~and send~~ this form and send it back to the creditor's ~~Attorney~~ lawyer (or to the creditor, if there is no ~~attorney~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor's lawyer (or to the creditor, if there is no lawyer) at the address listed below.

. . . . . .

~~(Insert name of creditor or creditor's attorney)~~

. . . . . .

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: . . . . . .
(or creditor's lawyer's signature)
Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: . . .~~ . . . . . .
~~DEBTOR~~
. . . . . .
~~DEBTOR ADDRESS~~
. . . . . .
~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Date: . . . . . .
Debtor's Signature: . . . . . .
Debtor's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . .
Email: . . . . . .

Sec. 7. Minnesota Statutes 2024, section 551.05, subdivision 1b, is amended to read:

Subd. 1b. **Form of notice.** The notice must be a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF . . . . . .~~ ~~. . . . . JUDICIAL DISTRICT~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~

~~. . . . . (Financial institution)~~

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . .

Court File Number: . . . . .

Case Type: . . . . .

Creditor's full name:

. . . . . .

Debtor's full name:

. . . . . .

Third Party (bank, employer, or other):

. . . . . .

IMPORTANT NOTICE

~~**YOUR FUNDS HAVE BEEN LEVIED**~~
Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is from one or more of these sources, place a check on the line on the form next to the sources of your money. If it is from one of these sources, the Creditor cannot take it~~ comes from a benefit on this list, put a check on the line next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days~~ to have the bank unfreeze your money~~.** Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

Sec. 8. Minnesota Statutes 2024, section 551.05, subdivision 1c, is amended to read:

Subd. 1c. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

INSTRUCTIONS

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

~~**If you check one of the lines, you should also give proof that shows that some or all of the money in your account is from one or more of the protected sources. Creditors may ask for a hearing if they question your exemptions. To avoid a hearing:**~~

~~**Case numbers should be added to the form. Copies of documents should be sent with the form.**~~

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

~~**Notice: YOU MUST SEND TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) COPIES OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS BEFORE THE LEVY. Keep a copy of your bank statements in case there are questions about your claim. If you do not send to the creditor's attorney (or to the creditor, if no attorney) bank statements with your exemption claim, the financial institution may release your money to the creditor.**~~

Notice: You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make one copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

Creditor's Name: . . . . . .

~~(Insert name of creditor or creditor's attorney)~~ (or creditor's lawyer's name)

Street Address: . . . . . .
~~(Insert address of creditor or creditor's attorney)~~ City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

One copy goes to:

Bank's Name: . . . . . .
~~(Insert name of bank)~~ Street Address: . . . . . .
City/State/Zip: . . . . . .
~~(Insert address of bank)~~ Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~pursuant to Minnesota statute~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

~~The financial institution will unfreeze your money six business days after the institution gets your completed form.~~ The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~PENALTIES~~ Warnings and Fines:

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 9. Minnesota Statutes 2024, section 551.05, subdivision 1d, is amended to read:

Subd. 1d. **Form of exemption form.** The exemption form required by this subdivision must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF . . . . . .~~ ~~. . . . . JUDICIAL DISTRICT~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Financial institution)~~

State of Minnesota **District Court**
County of: . . . . . Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name:
. . . . . **Exemption Form**
against
Debtor's full name:
. . . . . .
Bank's name:
. . . . . .

~~**EXEMPTION FORM**~~

A. **How Much Money Is Protected (exempt)**
~~. . . .~~ ... I claim ALL of the money being frozen by the bank is protected.
~~. . . .~~ ... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money Is Protected**
My money is protected because I get it from one or more of the following places: *(Check all that apply)*
Earnings (Wages)
ALL or SOME of my wages may be protected.
... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

. . . . **Government benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

~~**MFIP -** Minnesota family investment program,~~

~~**MFIP Diversionary Work Program,**~~

~~**Work participation cash benefit,**~~

~~**GA -** general assistance,~~

~~**EA -** emergency assistance,~~

~~**MA -** medical assistance,~~

~~**EGA -** emergency general assistance,~~

~~**MSA -** Minnesota supplemental aid,~~

~~**MSA-EA -** MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

. . . . . .

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number:~~ . . . . . .

~~County:~~ . . . . . .

~~**Government benefits also include:**~~

. . . . . ~~**Social Security benefits**~~

. . . . . ~~**Unemployment benefits**~~

. . . . . ~~**Workers' compensation**~~

. . . . . ~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

. . . . . ~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:. . . . . .~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

. . . . ~~**All of your earnings (wages) are protected if:**~~

. . . . ~~You get government benefits (see list of government benefits)~~

. . . . ~~You currently receive other assistance based on need~~

. . . . ~~You have received government benefits in the last six months~~

. . . . ~~You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

. . . . ~~**Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

. . . . ~~**An accident, disability, or retirement pension or annuity**~~

. . . . ~~**Payments to you from a life insurance policy**~~

. . . . ~~**Earnings of your child who is under 18 years of age**~~

. . . . ~~**Child support**~~

. . . . ~~**Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

. . . . ~~**Death benefits paid to you**~~

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance
(v) **EGA** - Emergency General Assistance
(vi) **MSA** - Minnesota Supplemental Aid
(vii) **MSA-EA** - MSA Emergency Assistance
(viii) **EA** - Emergency Assistance
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA** - Medical Assistance
(xii) **MinnesotaCare**
(xiii) **Medicare Part B** - Premium Payments help
(xiv) **Medicare Part D** - Extra
(xv) **SSI** - Supplemental Security Income
(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit
(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:
Case Number: . . . . . County: . . . . . .
Case Number: . . . . . County: . . . . . .
Case Number: . . . . . County: . . . . . .
Government benefits also include:
... Social Security benefits
... Unemployment benefits
... Workers' compensation
... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:

. . . . . .

Make sure you include copies of any documents that show this.

C. **Other Protected Funds**
The money from these things are also completely protected after they are deposited in my account.
... Child Support
... A retirement, disability, or accident pension or annuity
... Earnings of my child who is under 18 years of age
... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named creditor, or its attorney~~ creditor named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether I get benefits or not, or whether I have gotten them in the past six months~~ be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last ~~six~~ 6 months, I give my permission to the correctional institution to tell the ~~above-named~~ creditor named above or the creditor's lawyer that I was an inmate there.

~~**YOU MUST SIGN AND SEND THIS FORM BACK TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) AND THE BANK. REMEMBER TO INCLUDE A COPY OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS. FILL IN THE BLANKS BELOW AND GO BACK TO THE INSTRUCTIONS TO MAKE SURE YOU DO IT CORRECTLY.**~~

You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.

I have mailed or delivered a copy of this form to~~:~~ the creditor (or creditor's lawyer) at the address listed below.

Creditor's Signature: .....

(~~Insert name of creditor~~ or creditor's ~~attorney~~ lawyer's signature)

Creditor's Name: .....

(~~Insert address of creditor~~ or creditor's ~~attorney~~ lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: ....~~

~~DEBTOR~~

~~.....~~

~~DEBTOR ADDRESS~~

~~.....~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name: .....

Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Date: . . . . . .
Debtor's Signature: . . . . . .
Debtor's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . .
Email: . . . . . .

Sec. 10. Minnesota Statutes 2024, section 551.06, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings, the attorney for the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor's attorney a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the judgment debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being held by an employer pursuant to a garnishment summons served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF . . . . . .~~ ~~. . . . . JUDICIAL DISTRICT~~

~~. . . . . (Judgment Creditor)~~
~~against~~

~~EXECUTION EXEMPTION~~
~~NOTICE AND NOTICE OF~~
~~. . . . . (Judgment Debtor)~~ ~~INTENT TO LEVY ON EARNINGS~~
~~and~~ ~~WITHIN TEN DAYS~~
~~. . . . . (Third Party)~~

~~PLEASE TAKE NOTICE that A levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes the Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

State of Minnesota	**District Court**
County of:	Judicial District: . . . . .
	Court File Number: . . . . .
	Case Type: . . . . .
Creditor's full name:	**Execution Exemption Notice and Notice of Intent to Levy on Earnings**
against	
Debtor's full name:	
and	
Third Party (bank, employer, or other):	

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:
(i) **MFIP** - Minnesota Family Investment Program
(ii) **DWP** - MFIP Diversionary Work Program
(iii) **SNAP** - Supplemental Nutrition Assistance Program
(iv) **GA** - General Assistance
(v) **EGA** - Emergency General Assistance
(vi) **MSA** - Minnesota Supplemental Aid
(vii) **MSA-EA** - MSA Emergency Assistance
(viii) **EA** - Emergency Assistance
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA** - Medical Assistance
(xii) **MinnesotaCare**
(xiii) **Medicare Part B** - Premium Payments help
(xiv) **Medicare Part D** - Extra
(xv) **SSI** - Supplemental Security Income
(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit
(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~ **Warnings and Fines**

(1) ~~Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~ Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED if you claim an exemption, the judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~ BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) ~~If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~ If you get this notice, then do something in bad faith to try to block or stop the levy and

the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

~~DATED: . . . . . .~~ . . . . . .

~~(Attorney for Judgment Creditor)~~

. . . . . .

~~Address~~

. . . . . .

~~Telephone~~

Date: . . . . . .

Creditor's Signature: . . . . . .

(or creditor's lawyer's signature)

Creditor's Name: . . . . . .

(or creditor's lawyer's name)

Street Address: . . . . . .

City/State/Zip: . . . . . .

Phone: . . . . . Fax: . . . . . .

Email: . . . . . .

~~JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE~~

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

. . . . .	. . . . .	. . . . .
~~Program~~	~~Case Number (if known)~~	~~County~~
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief has been received~~ you got it from.)

. . . . .	. . . . .	. . . . .
~~Program~~	~~Case Number (if known)~~	~~County~~
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .
Program:	Case #:	County: . . . . .

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

. . . .

~~PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to $10,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is $.....~~

~~This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 90 days after the service of this levy.~~

~~In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.~~

. . . . . .
~~Attorney for the Judgment Creditor~~
. . . . . .
. . . . . .
. . . . . .
~~Address~~
~~(...)~~ . . . . . .
~~Phone Number~~

~~DISCLOSURE~~
~~DEFINITIONS~~

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

~~"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.~~

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .

Case Type: . . . . . .

Creditor's full name:

. . . . . .

against

Debtor's full name:

. . . . . .

and

Third Party (Debtor's Employer):

. . . . . .

Notice of Levy on Earnings for Non-Child Support Judgments

To the employer:

An employee of yours owes a judgment (money) to a creditor. The creditor's lawyer is starting a levy on the earnings you owe the employee. A levy means that you might have to hold part of the employee's earnings and send it to the creditor. By law, you have to do this. The limit on the levy is $10,000. A copy of the writ of execution from the court is enclosed. The amount of the judgment is $.....

The levy applies to "nonexempt disposable earnings" that you owe the employee. There are definitions and instructions below on how to calculate the amount, if any, you have to hold. The levy starts with the pay period when you got this levy. It continues for all pay periods in the 90 days after you got this levy.

You must complete the attached disclosure form and worksheet. Then mail it to the lawyer listed below. If any money is owed under the levy, you must also send a check payable to the creditor listed above. Follow the steps and the deadlines explained below.

Creditor's Name: . . . . . .
Creditor's Lawyer's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name:

. . . . . .

against

Debtor's full name:

. . . . . .

Earnings Disclosure and Worksheet For Non-Child Support Judgements

and
Third Party (Debtor's Employer):
. . . . . .

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is the "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": the date when the employer pays earnings to the debtor for doing their job. If the debtor has no regular payday, then "payday" means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:

1. ~~Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?~~ Right now, do you owe money to the debtor for earnings?

Yes ..... No .....

2. ~~Does the judgment debtor earn more than $... per week? (This amount is the greater of $9.50 per hour of the federal minimum wage per week.)~~ Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

3. Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE~~

A. ~~If your answer to either question 1 or 2 is "No," then you must sign the affirmation on page 2 and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.~~ If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. ~~If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~ If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

~~For each payday that falls within 90 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy to the judgment debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of judgment debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter judgment debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter judgment debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~
~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~

10.	COLUMN H.	Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.) You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons. Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.
11.	COLUMN I.	Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made. The total of all amounts entered in Column I is the amount to be remitted to the attorney for the judgment creditor.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: .....

.....
Signature

.....
Title

.....
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

.....

Judgment Debtor's Name

Date: .....
Third Party's Name: .....
Third Party's Signature: .....
Phone: ..... Fax: .....
Email: .....

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the levy was served on you, you **must** calculate the amount of earnings to be withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must:**

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

. . . . . .
Debtor's Name

	A Payday Date	B Gross Earnings	C Disposable Earnings
1.	. . . . .	~~$~~.	~~$~~. . . . .
2.	. . . . .	. . . . .	. . . . .
3.	. . . . .	. . . . .	. . . . .

~~4.~~	. . . . .	. . . . .	. . . . .
5.	. . . . .	. . . . .	. . . . .
6.	. . . . .	. . . . .	. . . . .
7.	. . . . .	. . . . .	. . . . .
~~8.~~	. . . . .	. . . . .	. . . . .
~~9.~~	. . . . .	. . . . .	. . . . .
~~10.~~	. . . . .	. . . . .	. . . . .

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D	E	F
~~25~~% of withholding of Column C (Use the creditor's calculation chart)	Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage	Column C minus Column E
1.	. . . . .	. . . . .
2.	. . . . .	. . . . .
3.	. . . . .	. . . . .
4.	. . . . .	. . . . .
5.	. . . . .	. . . . .
6.	. . . . .	. . . . .
7.	. . . . .	. . . . .
~~8.~~	. . . . .	. . . . .
~~9.~~	. . . . .	. . . . .
~~10.~~	. . . . .	. . . . .

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

G	H	I
Lesser of Column D and Column F	Setoff, Lien, Adverse Interest, or Other Claims	Column G minus Column H

1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
~~8.~~	~~.....~~	~~.....~~	~~.....~~
~~9.~~	.....	~~.....~~	~~.....~~
~~10.~~	~~.....~~	~~.....~~	.....

TOTAL OF COLUMN I~~$~~ .....

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~**If you entered any amount in Column H** for any ~~payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of these persons, and the nature of their claim, if known.~~ payday, describe those claims below. It doesn't matter if they are your claims, or the claims of others. For claims by others, list the names and addresses of each, and describe their claims, if you know.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

. . . . . .
~~Title~~

~~Dated: . . . .

Creditor's full name
. . . . . .
against
Debtor's full name
. . . . . .
and
Third Party (bank, employer, or other)
. . . . . .

Exemption Notice

A Garnishment Summons is being served ~~upon~~ on you. This means a creditor with a court judgment against you wants to take some of your money or property to pay the judgment. Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37 of the Minnesota Statutes ~~and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment~~. If you have questions about an exemption, ~~you should obtain~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850;~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interest;~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP) and Work First Program~~;

(ii) **DWP** - MFIP Diversionary Work Program;

~~(ii) Medical Assistance (MA);~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

~~(iii)~~ (iv) **GA** - General Assistance ~~(GA)~~;

~~(iv)~~ (v) **EGA** - Emergency General Assistance ~~(EGA)~~;

~~(v)~~ (vi) **MSA** - Minnesota Supplemental Aid ~~(MSA)~~;

~~(vi) MSA-Emergency~~ (vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA)~~;

~~(vii) Supplemental Security Income (SSI);~~

~~(viii) Energy Assistance; and~~

~~(ix)~~ (viii) **EA** - Emergency Assistance ~~(EA)~~;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits;

~~(8)~~ (10) unemployment benefits, workers' compensation, or ~~veteran's~~ veterans' benefits;

~~(9) an accident, disability, or retirement~~ (11) a retirement, disability, or accident pension or annuity;

~~(10)~~ (12) life insurance proceeds that are not more than $54,000;

~~(11)~~ (13) earnings of your minor child; ~~and~~

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 13. Minnesota Statutes 2024, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment.**

Exemption Notice

Important Notice: A garnishment summons may be served on your employer, bank, or other third parties. This can happen without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

~~The following money and wages~~ Some of your money in your account may be protected (the legal word is exempt) from garnishment~~:~~.

~~1. Financial institutions/bank~~

~~Some of the money in your account may be protected because you receive government benefits from one or more of the following places:~~

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75 percent of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these four boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

Government Benefits

Government benefits can include many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP** - MFIP Diversionary Work Program~~,~~

~~**Work participation cash benefit,**~~

... **SNAP** - Supplemental Nutrition Assistance Program

... **GA** - General Assistance~~,~~

... **EGA** - Emergency General Assistance

... **MSA** - Minnesota Supplemental Aid

... **MSA-EA** - MSA Emergency Assistance

... **EA** - Emergency Assistance~~,~~

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance~~,~~

~~**EGA** - emergency general assistance or county crisis funds,~~

~~**MSA -** Minnesota supplemental aid,~~

~~**MSA-EA -** MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare**~~,~~

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

... **SSI** - Supplemental Security Income

~~**Energy or fuel assistance,**~~

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: . . . . . County: . . . . . .
Case Number: . . . . . County: . . . . . .
Case Number: . . . . . County: . . . . . .

Government benefits also include:

... **Social Security benefits**~~,~~

... **Unemployment benefits**~~,~~

... **Workers' compensation**~~,~~

~~**Veterans**~~ ... **Veterans' benefits**~~.~~

~~**Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.**~~

~~**2. Earnings**~~

~~All or some of your earnings may be completely protected from garnishment if:~~

~~**All of your earnings (wages) may be protected if:**~~

~~You get government benefits (see list of government benefits)~~

~~You currently receive other assistance based on need~~

~~You have received government benefits in the last six months~~

~~You were in jail or prison in the last six months~~

~~Your wages are only protected for 60 days after they are deposited in your account so~~ **~~it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS~~** ~~that show what was in your account~~ **~~for the past 60 days~~**~~.~~

~~Some of your earnings (wages) may be protected if:~~

~~If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from:. . . . . .

. . . . . .

Make sure you include copies of any documents that show this.

Other Protected Funds

The money from ~~the following~~ these things are also ~~exempt for 20 days~~ completely protected after they are deposited in ~~your~~ my account.

... Child Support

~~**An accident, disability, or retirement**~~ ... A retirement, disability, or accident pension or annuity

~~Payments to **you** from a life insurance policy~~

... Earnings of ~~**your**~~ my child who is under 18 years of age

... Payments to me from a life insurance policy

~~**Child support**~~

... Money paid to ~~**you**~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~**your**~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances~~.~~

... Death benefits paid to ~~**you.**~~ me

You ~~WILL BE ABLE TO~~ can claim these exemptions when you ~~RECEIVE~~ get a notice. You will get the notice at least ~~ten~~ 10 days BEFORE a wage garnishment. BUT if the creditor

garnishes your bank account, you ~~will not~~ won't get the notice until AFTER the account has been frozen. If you believe the money in your bank account or your wages are exempt, ~~YOU SHOULD IMMEDIATELY~~ contact the person below right away. ~~YOU SHOULD~~ Tell them why you think your account or wages are exempt to see if you can avoid garnishment.

~~Creditor . . . . . .~~
~~Creditor Address . . . . . .~~
~~Creditor telephone number . . . . . .~~

Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Sec. 14. Minnesota Statutes 2024, section 571.74, is amended to read:

571.74 GARNISHMENT SUMMONS AND NOTICE TO DEBTOR.

The garnishment summons and notice to debtor must be substantially in the following form. The notice to debtor must be in no smaller than 14-point type.

~~GARNISHMENT SUMMONS~~

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Debtor's Address)~~
~~. . . . . (Garnishee)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

~~UNPAID BALANCE . . . . . .~~
~~Date of Entry~~
~~of Judgment (or) Subject to Minnesota Statutes, section 571.71, clause (2)~~

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .
Unpaid Balance: . . . . . .

Garnishment Summons

~~GARNISHMENT SUMMONS~~

~~The State of Minnesota~~

To the ~~Garnishee~~ Third Party (garnishee) named above:

~~You are hereby summoned and required to serve upon the creditor's attorney (or the creditor if not represented by an attorney) and on the debtor within 20 days after service of this garnishment summons upon you, a written disclosure, of the nonexempt indebtedness, money, or other property due or belonging to the debtor and owing by you or in your possession or under your control and answers to all written interrogatories that are served with the garnishment summons. However, if the garnishment is on earnings and the debtor has garnishable earnings, you shall serve the completed disclosure form on the creditor's attorney, or the creditor if not represented by an attorney, within ten days of the last payday to occur within the 90 days after the date of the service of this garnishment summons. "Payday" means the day which you pay earnings in the ordinary course of business. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.~~

~~Your disclosure need not exceed 110 percent of the amount of the creditor's claim that remains unpaid.~~

~~You shall retain garnishable earnings, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim until such time as the creditor causes a writ of execution to be served upon you, until the debtor authorizes you in writing to release the property to the creditor, or until the expiration of ..... days from the date of service of this garnishment summons upon you, at which time you shall return the disposable earnings, other indebtedness, money, or other property to the debtor.~~

A court has ordered that you must serve a written statement to the creditor (or to the creditor's lawyer). You must do this within 20 days after you get this notice. Your written statement should include any money, or other property of the debtor that you have or owe to them. It should also include answers to any questions that are in this summons.

But, if the garnishment is on earnings and the debtor has earnings that can be garnished, fill out the completed disclosure form. Then serve it on the creditor (or the creditor's lawyer). It must be served within 10 days of the last payday within the 90 days after the date you got this summons. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.

You don't have to disclose more than 110% of the unpaid amount that is owed to the creditor. Keep earnings that can be garnished, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim. Keep this until:

(i) the creditor has a writ of execution served on you;

(ii) the debtor gives you permission in writing to release the property to the creditor; or

(iii) it's been ... days from the day you got this garnishment summons.

Then you give the debtor back the disposable earnings, other indebtedness, money, or other property.

Earnings

~~In the event~~ If you are summoned as a garnishee because you owe "earnings" ~~(as defined on the Earnings Garnishment Disclosure form attached to this Garnishment Summons, if applicable)~~ to the debtor, then you ~~are required to~~ must serve ~~upon the creditor's attorney, or the creditor if not represented by an attorney, a written~~ an Earnings Disclosure Form ~~within~~ on the creditor (or the creditor's lawyer). The Earnings Disclosure Form must be in writing and must be served in the time limit set ~~forth~~ above. "Earnings" are defined on the Earnings Garnishment Disclosure Form attached to this Garnishment Summons.

In the case of earnings, you ~~are further required to retain in your possession~~ must keep all unpaid, nonexempt disposable earnings ~~owed or to be owed by you and earned or to be earned~~ that you owe or will owe to the debtor ~~within~~ during the pay period ~~in which~~ when this garnishment ~~summons~~ notice is ~~served and within all subsequent pay periods whose paydays (defined above) occur within the 90 days after the date of service of this garnishment summons~~ delivered and for all pay periods within 90 days after this notice is served.

~~Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.~~

Any transfer of earnings made by the debtor to someone else within 10 days before the first garnishment notice is invalid. Any debt the debtor owes you from within those 10 days can't be used to lower the amount that can be garnished.

~~You are prohibited~~ By law ~~from discharging or disciplining~~ you can't fire or discipline the debtor because ~~the debtor's~~ their earnings have been subject to garnishment.

This Garnishment Summons includes:

(check ~~applicable box~~ the boxes that apply)

. . Earnings garnishment (see attached Earnings Disclosure Form)

. . Nonearnings garnishment (see attached Nonearnings Disclosure Form)

. . Both Earnings and Nonearnings garnishment (see both attached Earnings and Nonearnings Disclosure Form)

Notice to Debtor

You are being served copies of a Garnishment Summons, Earnings Garnishment Disclosure Form, Nonwage Garnishment Disclosure Form, Garnishment Exemption Notices and/or written Interrogatories (strike out if not applicable)~~,~~. Copies of ~~which are hereby served on you, were served upon the Garnishee by delivering copies~~ these same documents were also delivered to the Garnishee. The Garnishee was paid $15.

~~Dated:~~ . . .

. . . . . .

. . . . . .

~~Address~~

. . . . . .

~~Telephone~~

. . . . . .

~~Attorney I.D. No~~

Date: . . . . . .

Creditor's Signature: . . . . . .

(or creditor's lawyer's signature)

Creditor's Name: . . . . . .

(or creditor's lawyer's name)

Street Address: . . . . . .

City/State/Zip: . . . . . .

Phone: . . . . . Fax: . . . . . .

Email: . . . . . .

Sec. 15. Minnesota Statutes 2024, section 571.75, subdivision 2, is amended to read:

Subd. 2. **Contents of disclosure.** The disclosure must state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~

~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Garnishee)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

~~GARNISHMENT~~
~~EARNINGS DISCLOSURE~~

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .

Garnishment Earnings Disclosure
For Non-Child Support Judgments

This form is called a "Garnishment Earnings Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information. The debtor is also called a "judgment debtor."

The "creditor" is the party owed the money. The creditor is also called a "judgment creditor."

The "employer" is the "third party" or "garnishee." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

"**Earnings**": ~~For the purpose of garnishment, "earnings" means compensation~~ what is paid or payable to an employee, independent contractor or self-employed person for personal services ~~or~~ (a job). Also called compensation. Compensation can be wages, salary, commission, bonus, payments, profit-sharing distributions, severance payment, fees or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to ~~the~~ a producer for the sale of agricultural products~~;~~. This can be things like milk or milk products~~;~~, or fruit or other horticultural products. Or things produced ~~when the producer is operating~~ in the operation of a family farm, a family farm corporation, or an authorized farm corporation~~, as~~. This is defined in section 500.24, subdivision 2~~, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement~~.

"**Disposable Earnings**": ~~Means that~~ the part of ~~the~~ a person's earnings ~~of an individual remaining after the deduction from those earnings of~~ that are left after subtracting the amounts required by law to be withheld. ~~(Amounts~~ **Note:** Amounts required by law to be withheld do not include ~~items such as~~ things like health insurance, charitable contributions, or other voluntary wage deductions.~~)~~

"**Payday**": ~~For the purpose of garnishment, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the debtor has no regular payday, ~~payday(s)~~ then "payday" means the ~~fifteenth~~ 15th and the last day of each month.

The Employer/Garnishee Must Answer The Following Questions:

1. ~~Do you~~ Right now ~~owe, or within 90 days from the date the garnishment summons was served on you, will you or~~, do you ~~expect to~~ owe money to the debtor for earnings?

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

2. Within 90 days from the date you were served with the garnishment, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

~~2~~ 3. Does the debtor earn more than ~~$..... per week? (This amount is the greater of $9.50 per hour or~~ the current Minnesota or federal minimum wage per week~~.)~~? (use the number that is more)

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE~~

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation on Page 2 and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the creditor's attorney (or the creditor if not represented by an attorney). You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: . . . . . .
Signature of Third Party/Employer:
. . . . . .
Title: . . . . . .
Phone: . . . . . .

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the garnishment ~~summons~~ was served on you, you **must** calculate the amount of earnings to be ~~retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

~~Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.~~

~~You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.~~

~~For Steps 3 through 11, "Columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~
~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~
~~10.~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the~~

~~amount of earnings owing to the debtor. (Note: Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void.)~~

~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.~~

~~11. COLUMN I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~Dated: . . . . . .~~

~~. . . . . Signature~~

~~. . . . . Title~~

~~. . . . . Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~

~~Debtor's Name~~

You **must**:

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney). Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

. . . . . .
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.	$	$ . . . . .
2.	. . . . .	. . . . .
3.	. . . . .	. . . . .
4.	. . . . .	. . . . .
5.	. . . . .	. . . . .
6.	. . . . .	. . . . .
7.	. . . . .	. . . . .
~~8.~~	. . . . .	. . . . .
~~9.~~	. . . . .	. . . . .
~~10.~~	. . . . .	. . . . .

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D	E	F
~~25~~% of withholding of Column C (Use the creditor's calculation chart)	Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage	Column C minus Column E
1.	. . . . .	. . . . .
2.	. . . . .	. . . . .
3.	. . . . .	. . . . .
~~4.~~	. . . . .	. . . . .
5.	. . . . .	. . . . .
6.	. . . . .	. . . . .
7.	. . . . .	. . . . .
~~8.~~	. . . . .	. . . . .
~~9.~~	. . . . .	. . . . .
~~10.~~	. . . . .	. . . . .

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in column E from the amount in column C and enter here.

G	H	I
Lesser of Column D and Column F	Setoff, Lien, Adverse Interest, or Other Claims	Column G minus Column H
1.	. . . . .	. . . . .
2.	. . . . .	. . . . .
3.	. . . . .	. . . . .
~~4.~~	. . . . .	. . . . .
5.	. . . . .	. . . . .
6.	. . . . .	. . . . .
7.	. . . . .	. . . . .
~~8.~~	. . . . .	. . . . .
~~9.~~	. . . . .	. . . . .
~~10.~~	. . . . .	. . . . .

Total of Column I=$ . . . . . .

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first garnishment on a debt may not be set off against the earnings that are affected by this garnishment. Any wage assignment made by the debtor within 10 days before you got the first garnishment on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~**If you entered any amount in Column H** for any ~~payday(s), you must~~ payday, describe those claims below ~~either~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others ~~you must both state~~, list the names and addresses of ~~these persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

. . . . . .

. . . . . .

. . . . . .

~~AFFIRMATION~~

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~Dated: . . . . . .~~

~~Signature . . . . . .~~

~~Title . . . . . .~~
~~Telephone Number (....) . . . . . .~~

Date: . . . . . .
Third Party's Name: . . . . . .
Third Party's Signature: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

EARNINGS DISCLOSURE FORM AND WORKSHEET
FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA DISTRICT COURT
COUNTY OF . . . . JUDICIAL DISTRICT

. . . . . (Creditor)
. . . . . (Debtor) GARNISHMENT
. . . . . (Garnishee) EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment benefits.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

Yes . . . . . No . . . . . .

INSTRUCTIONS FOR COMPLETING THE
EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 90 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(7) COLUMN F. Subtract the amount in column E from the amount in column D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated: . . . . . .

. . . . . .
Signature

. . . . . .
Title

. . . . . .
Telephone Number

. . . . . .
Debtor's Name

EARNINGS DISCLOSURE WORKSHEET

A Payday Date	B Gross Earnings	C Disposable Earnings
1.	$	$ . . . . .
2.	. . . . .	. . . . .
3.	. . . . .	. . . . .
4.	. . . . .	. . . . .
5.	. . . . .	. . . . .
6.	. . . . .	. . . . .
7.	. . . . .	. . . . .
8.	. . . . .	. . . . .
9.	. . . . .	. . . . .
10.	. . . . .	. . . . .
D	E	F

Either 50, 55, 60, or 65% of Column C	Setoff, Lien, Adverse Interest, or Other Claims	Column D minus Column E
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
8.	.....	.....
9.	.....	.....
10.	.....	.....
	TOTAL OF COLUMN F $.	

*If you entered any amount in column E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....

.....

.....

AFFIRMATION

I, ... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated: ..... (....) .....
Title Phone Number

NONEARNINGS DISCLOSURE FORM

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ ~~..... JUDICIAL DISTRICT~~

~~..... (Creditor)~~
~~against~~
~~..... (Debtor)~~ ~~NONEARNINGS DISCLOSURE~~
~~and~~
~~..... (Garnishee)~~

~~On the ..... day of ....., ..., the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:~~

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . . .

Court File Number: . . . . . .

Case Type: . . . . . .

Creditor's full name

. . . . . **Non-Earnings Disclosure**

against **For Non-Child Support Judgments**

Debtor's full name

. . . . . .

and

Third Party (bank, employer, or other)

. . . . . .

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The "creditor" is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

Fill in the date you got this disclosure:

. . . . . (month). . . . . (day),. . . . . (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee~~ Write down the amount of money you owe the debtor (except earnings).

. . . . . .

(2) Property. ~~Describe on the line below~~ Write a short description of any personal property, instruments, or papers belonging to the debtor ~~and in the possession of the garnishee~~ that you have in your possession. List the monetary value of each thing.

. . . . . .

(3) Setoff. ~~Enter on the line below the amount of any~~ If you claim a setoff, defense, lien, or claim ~~which the garnishee claims~~ against the amount ~~set forth~~ on lines (1) and (2) above enter that amount on the line below. State the facts ~~by which the setoff, defense, lien, or~~ about your claim ~~is claimed~~. ~~(Any indebtedness to a garnishee incurred by the debtor within the ten days before the~~

~~receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)~~ **Note**: Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

. . . . . .

(4) Exemption. Enter ~~on the line below~~ any amounts or property ~~claimed by the debtor to be exempt from execution~~ that the debtor claims is exempt on the line below.

. . . . . .

(5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the debtor's property~~ of the debtor's property that other people claim they own or have interest in.

. . . . . .

(6) Enter ~~on~~ the ~~line below the~~ total of lines (3), (4), and (5) on the line below.

. . . . . .

(7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2) on the line below.

. . . . . .

(8) ~~Enter on the line below~~ Figure out 110 percent of the amount of the creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

. . . . . .

(9) ~~Enter on the line below the lesser of line~~ Look at (7) and ~~line~~ (8). ~~Retain~~ Put the smaller number on the line below. Hold this amount only if it is $10 or more.

. . . . . .

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure~~, and~~. I have done so truthfully and to the best of my knowledge.

~~Dated: . . . . . .~~

. . . . . .

~~Signature~~

. . . . . .

~~Title~~

. . . . . .

~~Telephone Number~~

Date: . . . . . .
Name: . . . . . .
Signature: . . . . . .
Title: . . . . . .
Phone: . . . . . Email: . . . . . .

Sec. 16. Minnesota Statutes 2024, section 571.912, is amended to read:

571.912 FORM OF NOTICE, INSTRUCTIONS, AND EXEMPTION NOTICE.

Subdivision 1. **Form of notice.** The notice, instructions, and exemption notice informing a debtor that a garnishment summons has been used to attach funds of the debtor to satisfy a claim must be a separate notice and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF . . . . . .~~ ~~. . . . . JUDICIAL DISTRICT~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Financial institution)~~

State of Minnesota **District Court**
County of: . . . . . Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .

Important Notice

~~**YOUR FUNDS HAVE BEEN GARNISHED**~~

Money in Your Account Has Been Frozen

The Creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources, place~~ a benefit on the list, put a check on the line ~~on the form next to the sources of your money. If it is from one of these sources,~~ next to it. The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions ~~or your Creditor gets an order from the court or writ of execution,~~ your ~~financial institution will give~~ bank gives the money to your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~,~~. But ~~that is not as easy to do as~~ filling ~~in~~ out the form now is easiest.

See next pages for instructions and the exemption form.

Subd. 2. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the ~~creditor's attorney (or to the creditor, if no attorney) bank statements~~ creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may ~~release~~ give your money to the creditor. They would do this once the creditor gives ~~the financial institution~~ them a court order ~~directing it~~ saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

. . . . . .

~~(Insert name of creditor or creditor's attorney)~~

. . . . . .

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

One copy goes to:

. . . . . .

~~(Insert name of bank)~~

. . . . . .

~~(Insert address of bank)~~

Bank's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the ~~financial institution~~ bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Subd. 3. **Exemption notice.** The exemption notice must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Financial institution)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

State of Minnesota
County of: . . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
vs.
Debtor's full name
. . . . . .
Bank's name

Exemption Form

. . . . . .

~~EXEMPTION FORM~~

A. **How Much Money is Protected (exempt)**

~~. . .~~ ... I claim ALL of the money being frozen by the bank is protected.

~~. . .~~ ... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money is Protected**

My money is protected because I get it from one or more of the following places: **(Check all that apply)**

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

... I get government benefits (a list of government benefits is on the next page)

... I am getting other assistance based on need

... I have gotten government benefits in the last 6 months

... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

~~. . .~~ **Government Benefits**

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

... **MFIP** - Minnesota Family Investment Program~~,~~

... **DWP** - MFIP Diversionary Work Program~~,~~

... **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

... **GA** - General Assistance~~,~~

~~**EA - emergency assistance,**~~

~~**MA - medical assistance,**~~

... **EGA** - Emergency General Assistance~~,~~

... **MSA** - Minnesota Supplemental Aid~~,~~

... **MSA-EA** - MSA Emergency Assistance~~,~~

... **EA** - Emergency Assistance

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA** - Medical Assistance

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare**~~,~~

... **Medicare Part B** - Premium Payments~~,~~ help

... **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

... **SSI** - Supplemental Security Income

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~. . . . . .~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number: . . . . . .~~

~~County: . . . . . .~~

~~**Government benefits also include:**~~

~~. . .~~ ~~**Social Security benefits**~~

~~. . .~~ ~~**Unemployment benefits**~~

~~. . .~~ ~~**Workers' compensation**~~

~~. . .~~ ~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

~~. . .~~ ~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source: . . . . . .~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~. . .~~ ~~**All of your earnings (wages) are protected if:**~~

~~. . .~~ ~~You get government benefits (see list of government benefits)~~

~~. . .~~ ~~You currently receive other assistance based on need~~

~~. . .~~ ~~You have received government benefits in the last six months~~

~~. . .~~ ~~You were in jail or prison in the last six months~~

~~**If you check one of these lines,** your wages are only protected for 60 days after they are deposited in your account so **you MUST send the creditor a copy of BANK~~

~~**STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money**.~~

~~. . .~~ ~~**Some of your earnings (wages) are protected.**~~

~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

~~**OTHER EXEMPT FUNDS**~~

~~The money from the following are also completely protected after they are deposited in your account.~~

~~. . .~~ ~~**An accident, disability, or retirement pension or annuity**~~

~~. . .~~ ~~**Payments to you from a life insurance policy**~~

~~. . .~~ ~~**Earnings of your child who is under 18 years of age**~~

~~. . .~~ ~~**Child support**~~

~~. . .~~ ~~**Money paid to you from a claim for damage or destruction of property** Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.~~

~~. . .~~ ~~**Death benefits paid to you**~~

List the case number and county for every box you checked:

Case Number: . . . . . County: . . . . . .

Case Number: . . . . . County: . . . . . .

Case Number: . . . . . County: . . . . . .

Government benefits also include:

... Social Security benefits

... Unemployment benefits

... Workers' compensation

... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

... I get other assistance based on need that is not on the list. It comes from: . . . . . .

. . . . . .

Make sure you include copies of any documents that show this.

C. Other Protected Funds

The money from these things are also completely protected after they are deposited in my account.

... Child Support

... A retirement, disability, or accident pension or annuity

... Earnings of my child who is under 18 years of age

... Payments to me from a life insurance policy

... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances

... Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~,~~ named above or ~~its attorney~~ to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not, or whether I have gotten them~~ assistance, or if I have gotten assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign this form and send ~~THIS FORM~~ it back to the creditor's ~~ATTORNEY~~ lawyer (or to the creditor, if there is no ~~ATTORNEY~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor (or to the creditor's lawyer) at the address listed below.

. . . . . .

~~(Insert name of creditor or creditor's attorney)~~

. . . . . .

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature: . . . . . .
(or creditor's lawyer's signature)
Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED: . . . . . .~~ ~~. . . . . DEBTOR~~

~~. . . . . DEBTOR ADDRESS~~

~~. . . . . DEBTOR TELEPHONE NUMBER~~

Bank's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Date: . . . . . .
Debtor's Signature: . . . . . .
Debtor's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . .
Email: . . . . . .

Sec. 17. Minnesota Statutes 2024, section 571.914, subdivision 2, is amended to read:

Subd. 2. **Form of Notice of Objection and Notice of Hearing.** The Written Objection and Notice of Hearing must be in substantially the following form:

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~
~~. . . . . (Creditor)~~
~~. . . . . (Debtor)~~
~~. . . . . (Garnishee)~~

~~. . . . . .~~
~~. . . . . .~~
~~. . . . . .~~
~~(CREDITOR OR CREDITOR'S ATTORNEY)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

~~CREDITOR'S NOTICE OF OBJECTION AND NOTICE OF HEARING ON EXEMPTION CLAIM~~

~~**NOTICE OF HEARING**~~

~~The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.~~

~~Hearing Date:~~ ~~. . . . . .~~
~~Time:~~ ~~. . . . . .~~
~~Hearing Place:~~ ~~. . . . . .~~

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .

Creditor's Notice of Objection and Notice of Hearing on Exemption Claim

Hearing Notice

The creditor objects to your exemption claim. This hearing is to decide if your exemption claim is valid.

The hearing will be at:
Place: . . . . . Date: . . . . . Time: . . . . . .

The creditor objects to your claim of exemption from garnishment for the following reason(s):

. . . . . .
. . . . . .
. . . . . .

~~**(Note: Bring with you to the hearing all documents and materials supporting your exemption claim.** Failure to do so could delay the court's decision.**)**~~

~~If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your claim and you can avoid a hearing.~~

~~Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court.~~

Note: Bring all your documents and materials that support your exemption claim to the hearing. If you don't, the court's decision could be held up.

You can send your documents and materials to the creditor before the hearing. If they review them and agree with your claim, you can avoid a hearing.

Because there is a court hearing scheduled about your exemption claim, your bank will keep your funds until it gets an order from the court.

Date: . . . . . .
Creditor's Signature: . . . . . .
(or creditor's lawyer's signature)
Creditor's Name: . . . . . .
(or creditor's lawyer's name)

Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Sec. 18. Minnesota Statutes 2024, section 571.925, is amended to read:

571.925 FORM OF NOTICE.

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~

~~. . . . . (Creditor)~~
~~against~~

~~. . . . . (Debtor)~~
~~and~~
~~. . . . . (Garnishee)~~

~~DISTRICT COURT~~
~~. . . . . JUDICIAL DISTRICT~~

~~GARNISHMENT EXEMPTION NOTICE AND NOTICE OF INTENT TO GARNISH EARNINGS~~

~~PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.~~

~~Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Assistance based on need includes, but is not limited to:~~

State of Minnesota
County of: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
Third Party (bank, employer, or other)
. . . . . .

District Court
Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Garnishment Exemption Notice and Notice of Intent to Garnish Earnings

Notice: A garnishment may be served on your employer or other third parties. **Garnishment means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program~~,~~

(ii) **DWP** - MFIP Diversionary Work Program~~,~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program

~~**Work participation cash benefit,**~~

(iv) **GA** - General Assistance~~,~~

~~**EA - emergency assistance,**~~

~~**MA - medical assistance,**~~

(v) **EGA** - Emergency General Assistance~~,~~

(vi) **MSA** - Minnesota Supplemental Aid~~,~~

(vii) **MSA-EA** - MSA Emergency Assistance~~,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare~~,~~**

(xiii) **Medicare Part B** - Premium Payments~~,~~ help

(xiv) **Medicare Part D** - Extra ~~help,~~

~~**Energy or fuel assistance.**~~

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.~~

~~You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

~~PENALTIES~~

~~(1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~

~~(2) HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~Dated: . . . . . .~~

. . . . . .

~~(Attorney for) Creditor~~

. . . . . .

~~Address~~

. . . . . .

~~Telephone~~

Warnings and Fines

(1) Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

Date: . . . . . .

Creditor's Signature: . . . . . .

(or creditor's lawyer's signature)

Creditor's Name: . . . . . .

(or creditor's lawyer's name)

Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

DEBTOR'S EXEMPTION CLAIM NOTICE

State of Minnesota **District Court**

County of: . . . . . Judicial District: . . . . . .
Court File Number: . . . . . .
Case Type: . . . . . .

Creditor's full name
. . . . . .
and
Debtor's full name
. . . . . .
and
Third Party (bank, employer, or other)
. . . . . .

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt from this garnishment because: (check all that apply)

~~(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)~~

. . . . . .

~~Date~~

~~Debtor~~

. . . . . .

~~Address~~

. . . . . .

~~Debtor Telephone Number~~

~~STATE OF MINNESOTA~~
~~COUNTY OF . . . . . .~~

~~DISTRICT COURT~~
. . . . . ~~JUDICIAL DISTRICT~~

. . . . . ~~(Creditor)~~
. . . . . ~~(Debtor)~~
. . . . . ~~(Financial institution)~~

... I am getting government assistance based on need. (State the program, case number if you know it, and the county you got it from.)

Program: . . . . . Case #: . . . . . County: . . . . . .
Program: . . . . . Case #: . . . . . County: . . . . . .
Program: . . . . . Case #: . . . . . County: . . . . . .

... I am not getting assistance based on need right now, but I did get government assistance based on need within the last 6 months. (State the program, case number if you know it, and the county you got it from.)

Program: . . . . . Case #: . . . . . County: . . . . . .
Program: . . . . . Case #: . . . . . County: . . . . . .
Program: . . . . . Case #: . . . . . County: . . . . . .

... I was an inmate of a correctional institution within the last 6 months. (State the correctional institution and location.)

Correctional Institution . . . . . Location . . . . . .

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Sign and send this form back to the creditor or the creditor's lawyer.

Fill in the blanks below.

I mailed or delivered a copy of this form to the creditor or to the creditor's lawyer if they have one, at the address listed below.

Date: . . . . . .
Creditor's Signature: . . . . . .
(or creditor's lawyer's signature)

Creditor's Name: . . . . . .
(or creditor's lawyer's name)
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . Fax: . . . . . .
Email: . . . . . .

Date: . . . . . .
Debtor's Signature: . . . . . .
Debtor's Name: . . . . . .
Street Address: . . . . . .
City/State/Zip: . . . . . .
Phone: . . . . . .
Email: . . . . . .

Sec. 19. Minnesota Statutes 2024, section 571.931, subdivision 6, is amended to read:

Subd. 6. **Notice.** The debtor shall be served with a copy of the prejudgment garnishment order issued pursuant to this section together with a copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the prejudgment garnishment hearing upon which the creditor intends to rely and a notice of hearing. Service must be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor.

The notice of hearing served upon the debtor must be signed by the creditor or the attorney for the creditor and must be accompanied by an exemption notice. The notice of hearing must be accompanied by an exemption notice, and both notices must provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

Hearing Notice

TO: . . . . . .

~~(the debtor)~~ (debtor's full name)

The (insert the name of court) Court has ordered the prejudgment garnishment of some of your property ~~in the possession or control of a third party~~. This is about property that a third party has or controls. Some of your property may be exempt ~~from seizure~~ and can't be taken. See the exemption notice below.

The Court issued this Order ~~based upon the claim of~~ because (insert name of creditor) ~~that (insert name of creditor) is~~ claims they are entitled to ~~a court order for garnishment~~ take some of your property ~~to secure your payment of any money judgment that (insert name of creditor) may later be~~

~~obtained against you and that immediate action was necessary~~. They do this to make sure you pay any money they might win in a future case against you. They felt immediate action was needed.

You have the legal right to challenge (insert name of creditor) claims at a court hearing before a judge.

The hearing will be at:

Place: . . . . . Date: . . . . . Time: . . . . . .

~~The hearing will be held at the (insert place) on (insert date) at (insert time).~~ You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide~~ You get to tell the court your side of the issue. Then the court decides what should be done with your property until the lawsuit against you is finally decided.

If you ~~do not attend~~ don't go to this hearing, the court may order garnishment of your property.

Exemption Notice

Some of your property may be exempt and ~~cannot be garnished~~ can't be taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $4,500 at the time of attachment.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,000 after deducting any security interest.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by someone principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to $10,000.~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 20. Minnesota Statutes 2024, section 571.932, subdivision 2, is amended to read:

Subd. 2. **Service.** The creditor's motion to obtain an order of garnishment together with the creditor's affidavit and notice of hearing must be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor. If the debtor has already appeared in the action, the motion must be served in the manner prescribed for service of pleadings subsequent to the summons. The date of the hearing must be fixed in accordance with rule 6 of the Minnesota Rules of Civil Procedure for the District Courts, unless a different date is fixed by order of the court.

The notice of hearing served upon the debtor shall be signed by the creditor or the attorney for the creditor and shall provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

Hearing Notice

TO: .....

~~(the debtor)~~ (debtor's full name)

~~A hearing will be held (insert place) on (insert date) at (insert time) to determine whether nonexempt property belonging to you will be garnished to secure a judgment that may be entered against you.~~

There will be a hearing to decide if your nonexempt property will be garnished to help pay a judgment that may be entered against you.

The hearing will be at:
Place: . . . . . Date: . . . . . Time: . . . . . .

You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide whether~~ You get to tell the court your side of the issue. Then the court decides if your property should be garnished until the lawsuit ~~which has been commenced~~ against you is finally decided.

If the court ~~directs the issuance of~~ issues a garnishment summons ~~while~~ during the lawsuit ~~is pending~~, you ~~may still~~ can keep the property until the lawsuit is decided if you file a bond ~~in an amount~~. The amount of the bond is set by the court.

If you ~~DO NOT ATTEND THIS~~ don't go to this hearing, the court may order garnishment of your nonexempt property ~~TO BE GARNISHED~~.

Exemption Notice

Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. ~~The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of the garnishment.~~ If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~A homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2)(i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interests.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000~~.~~;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 21. Laws 2024, chapter 114, article 3, section 101, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~April~~ June 1, 2025, and applies to causes of action commenced on or after that date.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2025.

Sec. 22. **CONSTRUCTION AND APPLICATION.**

The forms in sections 1 to 20 must be made available on the state court website on or before June 1, 2025. The failure to use the forms as amended by sections 1 to 20 before June 1, 2025, is

not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

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

Sec. 23. **EFFECTIVE DATE.**

Sections 1 to 20 are effective June 1, 2025. "

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.

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 2077: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying fees and surcharges; modifying disposition of certain funds; modifying permitting efficiency provisions; establishing stewardship program for circuit boards, batteries, and electrical products; prohibiting mercury in batteries; modifying funding considerations for water infrastructure; providing for recovery of expenses of responding to pollutant release; modifying reimbursable costs under Petroleum Tank Release Cleanup Act; providing for loans for regional parks and trails projects; modifying grant programs; modifying prior appropriations; providing civil penalties; authorizing rulemaking; amending Minnesota Statutes 2024, sections 85.055, subdivision 1; 86B.415, subdivision 7; 103G.271, subdivision 6; 103G.301, subdivision 2; 115.01, by adding subdivisions; 115.071, subdivision 1; 115.072; 115A.121; 115A.554; 115B.421; 115C.02, subdivision 14, by adding a subdivision; 115C.09, subdivision 1; 116.03, subdivision 2b; 116.073, subdivisions 1, 2; 116.182, subdivision 5; 116.92, subdivision 6, by adding a subdivision; 168.1295, subdivision 1; 446A.07, subdivision 8; 473.167; 473.355, subdivision 2; 473.5491, subdivision 1; Laws 2023, chapter 60, article 1, section 2, subdivisions 2, 7; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 2024, sections 115A.1310, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12b, 12c, 13, 14, 15, 17, 18, 19, 20; 115A.1312; 115A.1314; 115A.1316; 115A.1318; 115A.1320; 115A.1322; 115A.1323; 115A.1324; 115A.1326; 115A.1328; 115A.1330; 115A.9155; 115A.9157, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 115A.961, subdivisions 1, 2, 3; 325E.125; 325E.1251.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES 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. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation** **$** **157,580,000** **$** **163,566,000**

Appropriations by Fund	2026	2027
General	9,122,000	9,072,000
State Government Special Revenue	90,000	90,000
Environmental	119,906,000	125,675,000
Remediation	21,962,000	22,229,000
Closed Landfill Investment	6,500,000	6,500,000

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

The commissioner must present the agency's biennial budget for fiscal years 2028 and 2029 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. **Environmental Analysis and Outcomes** 23,077,000 25,027,000

Appropriations by Fund	2026	2027
General	283,000	296,000
Environmental	22,575,000	24,511,000
Remediation	219,000	220,000

(a) $128,000 the first year and $131,000 the second year are from the environmental fund for a municipal liaison to assist municipalities with water quality standards and NPDES/SDS permitting processes, including enhanced economic analysis in the water quality standards rulemaking processes, identification of cost-effective permitting opportunities, simplifying the variance process, and coordinating with the Public Facilities Authority to identify and advocate for needed resources for municipalities to achieve permit requirements.

(b) $1,182,000 the first year and $1,191,000 the second year are from the environmental fund for an air-monitoring program under Minnesota Statutes, section 116.454, including ambient air for hazardous pollutants, and for operating a mobile emissions regulatory monitoring trailer.

(c) $144,000 the first year and $148,000 the second year are from the environmental fund for monitoring water quality and operating assistance programs.

(d) $109,000 the first year and $109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, $70,000 the first year and $70,000 the second year are transferred to the commissioner of health.

(e) $137,000 the first year and $139,000 the second year are from the environmental fund for registering wastewater laboratories.

(f) $1,527,000 the first year and $1,529,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks,

including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to $1,248,000 the first year and $1,248,000 the second year are for transfer to the commissioner of health.

(g) $64,000 the first year and $65,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(h) $79,000 the first year and $80,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(i) $283,000 the first year and $296,000 the second year are from the general fund to support communities in planning to implement projects that will allow for adaptation for a changing climate.

(j) $2,139,000 the first year and $2,160,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including Minnesota's PFAS Blueprint.

(k) $1,893,000 the first year and $1,915,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(l) $1,448,000 the second year is from the environmental fund to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062.

(m) $904,000 the first year and $911,000 the second year are from the environmental fund for monitoring ambient air for hazardous air pollutants in Hennepin, Ramsey, Washington, and Olmsted Counties.

(n) $175,000 the first year and $175,000 the second year are from the environmental fund to address wastewater effluent limits and variances for backlogged permits.

Subd. 3. **Industrial** 24,144,000 27,443,000

Appropriations by Fund

	2026	2027
General	782,000	789,000
Environmental	21,376,000	24,641,000
Remediation	1,986,000	2,013,000

(a) $1,876,000 the first year and $1,902,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) $457,000 the first year and $457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, $149,000 the first year and $149,000 the second year are for transfer to the commissioner of health.

(c) $257,000 the first year and $264,000 the second year are from the general fund for implementation of the odor management requirements under Minnesota Statutes, section 116.064.

(d) $148,000 the second year is from the environmental fund for the purposes of the public informational meeting requirements

under Minnesota Statutes, section 116.07, subdivision 4m.

(e) $2,698,000 the first year and $2,718,000 the second year are from the environmental fund for prioritizing air regulatory program work in environmental justice areas.

(f) $2,539,000 the second year is from the environmental fund for implementing the environmental justice cumulative impact analysis and other requirements under Minnesota Statutes, section 116.065.

(g) $730,000 the first year and $740,000 the second year are from the environmental fund to improve the coordination, effectiveness, transparency, and accountability of the environmental review and permitting process.

(h) $700,00 the first year and $700,000 the second year are to address backlogged permits. Of this amount, $525,000 the first year and $525,000 the second year are from the general fund and $175,000 the first year and $175,000 the second year are from the environmental fund.

Subd. 4. **Municipal** 11,271,000 11,410,000

Appropriations by Fund	2026	2027
State Government		
Special Revenue	90,000	90,000
Environmental	11,181,000	11,320,000

(a) $228,000 the first year and $233,000 the second year are from the environmental fund for a municipal liaison to assist municipalities with water quality standards and NPDES/SDS permitting processes, including enhanced economic analysis in the water quality standards rulemaking processes, identification of cost-effective permitting opportunities, simplifying the variance process, and coordinating with the Public Facilities Authority to identify and advocate

for needed resources for municipalities to achieve permit requirements.

(b) $50,000 the first year and $50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) $2,511,000 the first year and $2,535,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration; for community technical assistance and education, including grants and technical assistance to communities for water-quality protection, new technology review, and enforcement under Minnesota Statutes, sections 115.55 to 115.58; and to complete the requirements of Laws 2003, chapter 128, article 1, section 165. Of this amount, $350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2030.

Subd. 5. **Operations** 15,584,000 15,650,000

Appropriations by Fund	2026	2027
General	4,219,000	4,115,000
Environmental	8,733,000	8,870,000
Remediation	2,632,000	2,665,000

(a) $1,187,000 the first year and $1,201,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) $3,204,000 the first year and $3,300,000 the second year are from the general fund to support agency information technology services provided at the enterprise and agency level.

(c) $955,000 the first year and $965,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) $278,000 the first year and $280,000 the second year are from the environmental fund to support current and future career pathways for underrepresented students.

(e) $375,000 the first year and $380,000 the second year are from the environmental fund to support financial planning and analysis to assist with risk and compliance management across agency programs and financial systems.

(f) $538,000 the first year and $542,000 the second year are from the environmental fund for Operations Division legal services that support compliance programs.

(g) $815,000 the first year and $815,000 the second year are from the general fund for developing tools to improve permitting issuance processes. This appropriation is available until June 30, 2029. This is a onetime appropriation.

(h) $200,000 the first year is from the general fund to expand outreach under Minnesota Statutes, section 116.07, subdivision 13. This is a onetime appropriation.

(i) The total general fund base for the Operations Division for fiscal year 2028 and later is $3,300,000.

Subd. 6. **Remediation** 23,861,000 24,068,000

	Appropriations by Fund	
	2026	2027
Environmental	642,000	646,000
Remediation	16,719,000	16,922,000
Closed Landfill Investment	6,500,000	6,500,000

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments.

(b) $4,965,000 the first year and $5,036,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(c) $316,000 the first year and $316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health

assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(d) $350,000 the first year and $350,000 the second year are from the remediation fund to review and mitigate the impacts from the backlog of high-priority sites in the Superfund site assessment program.

(e) $6,500,000 the first year and $6,500,000 the second year are from the closed landfill investment fund for costs not otherwise covered with other resources under the landfill cleanup program in Minnesota Statutes, sections 115B.39 to 115B.444. This is a onetime appropriation and is available until June 30, 2029. The commissioner must report on all work plans and expenditures from this appropriation to the chairs and ranking minority members of the legislative committees having jurisdiction over environment policy and finance by February 15, 2027.

Subd. 7. **Resource Management and Assistance** 46,830,000 46,985,000

	Appropriations by Fund	
	2026	2027
General	70,000	70,000
Environmental	46,760,000	46,915,000

(a) Up to $150,000 the first year and $150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) $1,000,000 the first year and $1,000,000 the second year are from the environmental fund for competitive recycling grants under Minnesota Statutes, section 115A.565. This appropriation is available until June 30, 2029.

(c) $694,000 the first year and $694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, $100,000 the first year and $100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) $18,450,000 the first year and $18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) $119,000 the first year and $119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) $400,000 the first year and $400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2029.

(g) $770,000 the first year and $770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, $500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2029.

(h) $2,829,000 the first year and $2,835,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) $479,000 the first year and $481,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant

provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, $80,000 the first year and $80,000 the second year are transferred to the commissioner of health.

(j) $650,000 the first year and $650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(k) $1,143,000 the first year and $1,152,000 the second year are from the environmental fund for implementation of the PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, $468,000 the first year and $468,000 the second year are for transfer to the commissioner of health.

(l) $175,000 the first year and $175,000 the second year are from the environmental fund to address land permitting activities.

(m) $215,000 the first year and $215,000 the second year are from the environmental fund to enhance existing work to reduce or eliminate mercury-containing skin-lightening products. The base is $195,000 in fiscal year 2028 and thereafter.

(n) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2029.

Subd. 8. **Watershed**	11,268,000	11,401,000

	Appropriations by Fund	
	2026	2027
General	2,459,000	2,459,000
Environmental	8,403,000	8,533,000
Remediation	406,000	409,000

(a) $2,459,000 the first year and $2,459,000 the second year are from the general fund for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) $137,000 the first year and $138,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(c) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

Subd. 9. **Environmental Quality Board** 1,545,000 1,582,000

	Appropriations by Fund	
	2026	2027
General	1,309,000	1,343,000
Environmental	236,000	239,000

Subd. 10. **Transfers**

The commissioner must transfer up to $24,000,000 the first year and $24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $24,000,000 each year from the

environmental fund to the remediation fund when preparing each forecast from the effective date of this section through the February 2027 forecast under Minnesota Statutes, section 16A.103.

Sec. 3. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**396,596,000**	**$**	**397,706,000**

Appropriations by Fund

	2026	2027
General	130,981,000	131,435,000
Natural Resources	133,926,000	134,324,000
Game and Fish	130,852,000	131,098,000
Remediation	117,000	117,000
Permanent School	720,000	732,000

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

Subd. 2. **Land and Mineral Resources Management**		10,569,000		10,615,000

Appropriations by Fund

	2026	2027
General	5,069,000	5,099,000
Natural Resources	4,929,000	4,940,000
Game and Fish	344,000	344,000
Permanent School	227,000	232,000

(a) $319,000 the first year and $319,000 the second year are for environmental research relating to mine permitting, of which $200,000 each year is from the minerals management account in the natural resources fund and $119,000 each year is from the general fund.

(b) $3,639,000 the first year and $3,650,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects

to promote new mineral-resource opportunities.

(c) $227,000 the first year and $232,000 the second year are from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) $573,000 the first year and $573,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(e) $160,000 the first year is from the general fund for completing the condemnation of certain land in Mille Lacs County authorized under Laws 2024, chapter 116, article 8, section 13. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. **Ecological and Water Resources** 46,772,000 48,202,000

Appropriations by Fund		
	2026	2027
General	22,470,000	22,732,000
Natural Resources	18,478,000	19,646,000
Game and Fish	5,824,000	5,824,000

(a) $6,947,000 the first year and $6,952,000 the second year are from the invasive species account in the natural resources fund and $1,631,000 the first year and $1,631,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) $7,801,000 the first year and $8,791,000 the second year are from the water management account in the natural resources fund for only the purposes specified in

Minnesota Statutes, section 103G.27, subdivision 2.

(c) $124,000 the first year and $124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) $264,000 the first year and $264,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement.

(e) $2,598,000 the first year and $2,598,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(f) $1,150,000 the first year and $1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, $100,000 the first year and $100,000 the second year may be used for nongame wildlife information, education, and promotion.

(g) Notwithstanding Minnesota Statutes, section 84.943, $48,000 the first year and $48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(h) $4,555,000 the first year and $4,555,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(i) $410,000 the first year and $410,000 the second year are from the heritage enhancement account in the game and fish fund, and $500,000 the first year and $500,000 the second year are from the general fund are for the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(j) $129,000 the first year is from the general fund for providing research, policy review, and assisting the Sustainable Foraging Task Force. This is a onetime appropriation.

Subd. 4. **Forest Management** 60,623,000 61,293,000

Appropriations by Fund	2026	2027
General	42,800,000	43,383,000
Natural Resources	16,206,000	16,293,000
Game and Fish	1,617,000	1,617,000

(a) $7,521,000 the first year and $7,521,000 the second year are for prevention,

presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) $15,706,000 the first year and $15,793,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) $1,617,000 the first year and $1,617,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) $940,000 the first year and $947,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) $500,000 the first year and $500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(f) $500,000 the first year and $500,000 the second year are for forest road maintenance on county forest roads.

(g) $400,000 the first year and $400,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82. The commissioner may use a reasonable amount of this appropriation for administering ReLeaf grants.

Subd. 5. **Parks and Trails Management** 115,352,000 113,212,000

Appropriations by Fund	2026	2027
General	37,076,000	36,474,000
Natural Resources	75,976,000	74,438,000
Game and Fish	2,300,000	2,300,000

(a) $8,925,000 the first year and $9,238,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) $23,859,000 the first year and $23,615,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) $1,300,000 the first year and $1,300,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. Priority must be given for projects that are in underserved communities or that increase access to persons with disabilities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does

not cancel at the end of the first year and is available for the second year.

(d) $9,624,000 the first year and $9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) $2,610,000 the first year and $2,510,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, $2,060,000 the first year and $1,960,000 the second year are from the all-terrain vehicle account, $225,000 each year is from the off-highway motorcycle account, and $325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) $2,750,000 the first year and $2,750,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) $250,000 the first year and $250,000 the second year are from the general fund for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) $250,000 the first year and $250,000 the second year are from the general fund for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) $600,000 the first year and $600,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

(j) $400,000 the first year is from the general fund for a grant to the city of Silver Bay for construction of the Silver Bay Trailhead. This is a onetime appropriation and is available until June 30, 2028.

(k) $500,000 the first year is from the general fund for a grant to the city of Chisholm for trail development, maintenance, and related amenities at Redhead Mountain Bike Park. This is a onetime appropriation and is available until June 30, 2028.

(l) $752,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County for all-terrain vehicle trail projects. This is a onetime appropriation and is available until June 30, 2028. The grant is for the following projects:

(1) $75,000 for the Alborn Dirt Devils Club to engineer, permit, and acquire right-of-way for the County Road 166 to Ostman Road ATV trail project;

(2) $480,000 for the Ranger Snowmobile/ATV Club to engineer and construct the Seven Beavers ATV trail project;

(3) $100,000 for the Twig Area Trail Riders ATV Club to permit, design, engineer, and acquire right-of-way for the Lumberjack to Brookston ATV trail; and

(4) $97,000 for the Quad Cities ATV Club to engineer, survey, test, design, and construct the club trailhead project.

(m) $200,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to the city of Duluth and Head of the Lakes ATV Riders for a Duluth area all-terrain vehicle route study to establish connectivity to and through the western part of the city of Duluth. This is a onetime appropriation and is available until June 30, 2028.

(n) $380,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2028.

(o) $175,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County for design, right-of-way acquisition, permitting, and construction of trails and a new trail bridge within the Prospectors Loop trail system. This is a onetime appropriation and is available until June 30, 2028.

Subd. 6. **Fish and Wildlife Management** 97,566,000 98,019,000

Appropriations by Fund	2026	2027
General	9,120,000	9,185,000
Natural Resources	2,182,000	2,424,000
Game and Fish	86,264,000	86,410,000

(a) $12,125,000 the first year and $12,097,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for

expanding hunter and angler recruitment and retention.

(b) $8,546,000 the first year and $8,546,000 the second year are from the deer management account in the game and fish fund for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(c) $500,000 the first year and $500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976. The commissioner may use a reasonable amount of this appropriation for administering grants authorized under Minnesota Statutes, section 84.976. Priority must be given to projects benefiting underserved communities.

(d) Up to $2,225,000 the first year and up to $2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5, paragraph (b).

(e) $3,032,000 the first year and $3,032,000 the second year are from the general fund and $1,675,000 the first year and $1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. Of this amount, up to $2,750,000 each year from the general fund is for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program.

(f) $500,000 the first year and $348,000 the second year are from the general fund for the Outdoor School for All program under Minnesota Statutes, section 84.9766.

(g) $225,000 the first year is from the general fund to expand outreach under Minnesota Statutes, section 84.027, subdivision 21. This is a onetime appropriation.

(h) $177,000 the first year is from the game and fish fund for a study of muskellunge movement and survival in Leech Lake. The study must be conducted in collaboration with Bemidji State University. By October 1, 2028, the commissioner of natural resources must submit a report on the results of the study to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources. This appropriation is available until June 30, 2028.

Subd. 7. **Enforcement** 63,890,000 64,534,000

Appropriations by Fund		
	2026	2027
General	14,225,000	14,341,000
Natural Resources	15,045,000	15,473,000
Game and Fish	34,503,000	34,603,000
Remediation	117,000	117,000

(a) $1,718,000 the first year and $1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) $2,980,000 the first year and $2,980,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) $1,442,000 the first year and $1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) $315,000 the first year and $315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) $250,000 the first year and $250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, $25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) $510,000 the first year and $510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, $498,000 each year is from the all-terrain vehicle account, $11,000 each year is from the off-highway motorcycle account, and $1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, $25,000 each year is for administering the grants. Any unencumbered

balance does not cancel at the end of the first year and is available for the second year.

(g) $262,000 the first year and $262,000 the second year are from the water recreation account in the natural resources fund for investigating, notification, and removal of abandoned watercraft on or adjacent to public waters and public land.

(h) $20,000 the first year and ..... the second year are from the off-highway motorcycle account in the natural resources fund for grants to qualifying off-highway motorcycle organizations to assist in providing safety and environmental education and monitoring trails on public lands according to Minnesota Statutes, section 84.9011. Grants awarded under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on how the money was expended and what outcomes were achieved.

Subd. 8. **Pass Through Funds** 1,824,000 1,831,000

Appropriations by Fund	2026	2027
General	221,000	221,000
Natural Resources	1,110,000	1,110,000
Permanent School	493,000	500,000

(a) $510,000 the first year and $510,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) $221,000 the first year and $221,000 the second year are from the general fund for the Office of School Trust Lands.

(c) $150,000 the first year and $150,000 the second year are from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) $343,000 the first year and $350,000 the second year are from the permanent school fund for the Office of School Trust Lands.

(e) $600,000 the first year and $600,000 the second year are from the natural resources fund for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

Subd. 9. **Transfers**

$720,000 the first year and $732,000 the second year are transferred from the forest suspense account to the permanent school fund. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of $732,000 each year from the forest suspense account to the permanent school fund when preparing each forecast from the effective date of this section through the February 2027 forecast under Minnesota Statutes, section 16A.103.

Subd. 10. **Extensions**

The appropriation in Laws 2023, chapter 60, article 1, section 3, subdivision 5, paragraph (p), for a boat launch on the Mississippi River is extended to June 30, 2026.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES** **$ 15,945,000 $ 16,102,000**

(a) $3,116,000 the first year and $3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) $1,560,000 the first year and $1,560,000 the second year are for the following:

(1) $1,460,000 the first year and $1,460,000 the second year are for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) $100,000 the first year and $100,000 the second year are for invasive species and weed management programs and to restore native plants at selected invasive species management sites.

(c) $166,000 the first year and $166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

(d) $100,000 the first year and $100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(e) $140,000 the first year and $140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(f) $240,000 the first year and $240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of sustaining the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(g) $203,000 the first year and $203,000 the second year are for soil health programming consistent with Minnesota Statutes, section 103F.06, and for coordination with the University of Minnesota Office for Soil Health.

(h) $3,423,000 the first year and $3,423,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(i) $6,997,000 the first year and $7,154,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(j) The board may shift funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(k) The appropriations for grants and payments in this section are available until June 30, 2029, except returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be used consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(l) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL** **$ 11,740,000** **$ 11,740,000**

Appropriations by Fund	2026	2027
General	2,540,000	2,540,000
Natural Resources	9,200,000	9,200,000

(a) $2,540,000 the first year and $2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) $9,200,000 the first year and $9,200,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

Sec. 6. **CONSERVATION CORPS MINNESOTA AND IOWA** **$ 1,070,000 $ 1,070,000**

Appropriations by Fund

	2026	2027
General	580,000	580,000
Natural Resources	490,000	490,000

Conservation Corps Minnesota and Iowa may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD** **$ 14,180,000 $ 14,532,000**

Appropriations by Fund

	2026	2027
General	13,925,000	14,277,000
Natural Resources	255,000	255,000

$255,000 the first year and $255,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

Sec. 8. **SCIENCE MUSEUM** **$ 1,260,000 $ 1,260,000**

Sec. 9. **LEGISLATIVE COORDINATING COMMISSION** **$ 198,000 $ 0**

$198,000 the first year is for the administrative costs of the Sustainable Foraging Task Force. This is a onetime appropriation

Sec. 10. Laws 2023, chapter 60, article 1, section 2, subdivision 10, is amended to read:

Subd. 10. **Transfers**

(a) The commissioner must transfer up to $24,000,000 the first year and $24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2. The base for

this transfer is $24,000,000 in fiscal year 2026 and beyond.

(b) By June 30, 2024, the commissioner of management and budget must transfer $27,397,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17, and to compensate the account for the estimated lost investment income.

~~(c) Beginning in fiscal year 2024, the commissioner of management and budget must transfer $100,000 each year from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17.~~

Sec. 11. **CANCELLATION.**

$3,915,000 of the unencumbered balance of the general fund appropriation from Laws 2022, chapter 95, article 3, section 6, paragraph (b), cancels no later than June 30, 2025.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND 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 environment and natural resources trust 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. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation. These are onetime appropriations.

	APPROPRIATIONS Available for the Year Ending June 30 2026	2027
Sec. 2. **MINNESOTA RESOURCES**		
Subdivision 1. **Total Appropriation**	**$ 103,326,000**	**$ 0**
This appropriation is from the environment and natural resources trust fund. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Definition**		
"Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.		
Subd. 3. **Foundational Natural Resource Data and Information**	22,084,000	-0-
(a) **Fond du Lac Deer Study - Phase 1**		
$1,441,000 the first year is from the trust fund to the Minnesota State Colleges and Universities for Bemidji State University to collect baseline deer demographic, movement, and habitat-use data before elk restoration to better inform management of both elk and deer populations on the Fond du Lac Reservation and surrounding areas.		
(b) **Are All Walleye Created Equal? Probably Not.**		
$298,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to investigate Minnesota walleye strain physiology and disease responses to warming water and to build a tool to guide adaptive management of walleye in a warming climate.		
(c) **Deer Survival Within Minnesota's Densest Wolf Population**		
$809,000 the first year is from the trust fund to the Board of Regents of the University of		

Minnesota to evaluate how wolves, winter severity, and habitat affect deer mortality and survival across space and time within the Voyageurs region.

(d) **Evaluating Anticoagulant Rodenticide Exposure in Minnesota's Carnivores**

$247,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to determine anticoagulant rodenticide exposure rates and concentrations in Minnesota bobcats and fishers, factors influencing exposure risk, and negative effects of rodenticide exposure on carnivore health.

(e) **Digitizing the Science Museum of Minnesota's Mollusk Specimens**

$386,000 the first year is from the trust fund to the Science Museum of Minnesota to make the museum's Minnesota mollusk specimen collection available for research and education by identifying and organizing all relevant specimens and digitizing the museum's data.

(f) **Integrating Wildlife Objectives in Long-Term Forest Management Planning**

$316,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a harvest-scheduling model that integrates wildlife habitat metrics with timber production objectives in the forest-planning process for more sustainable forest landscape-level outcomes.

(g) **Surveying Minnesota's Secretive Marsh Birds**

$413,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Upper Mississippi River office, to conduct a breeding marsh bird survey and provide state and federal agencies with an assessment of marsh bird population status and wetland habitat. This appropriation is

available until June 30, 2029, by which time the project must be completed and final products delivered.

(h) **Improving Conservation Outcomes for Imperiled Wood Turtles**

$242,000 the first year is from the trust fund to the Minnesota Zoological Society to restore imperiled wood turtles by increasing remnant populations, quantifying effectiveness of habitat management strategies, establishing baseline information on disease prevalence, and creating a new decision-support tool for prioritizing future conservation actions.

(i) **Maximizing the Impact of Wildlife Movement Data**

$216,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to create a centralized and accessible database of wildlife movement data from prior trust fund-supported studies and demonstrate tools biologists can use to analyze these data to benefit Minnesota wildlife.

(j) **Expanding the Statewide Motus Wildlife Tracking Network**

$234,000 the first year is from the trust fund to the Minnesota Zoological Society to expand the statewide Motus Wildlife Tracking System network into southwestern Minnesota and the North Shore to guide the conservation of imperiled grassland and boreal migratory birds and other wildlife. This appropriation may also be used to develop outreach and interpretive materials for Motus sites.

(k) **Updating and Sharing Information on Minnesota's Tick Biodiversity**

$186,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to collaborate with wildlife organizations and community scientists to

survey the biodiversity and distribution of ticks in Minnesota and create a publicly accessible GIS dashboard to share results and potential disease implications with the public and wildlife managers.

(l) **Small Mammals and Hunter Participation: Expanded Offal Wildlife Watching**

$563,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to expand and assess hunter participation in monitoring scavenger use of deer gut piles, assess small mammal occurrence and contaminant and disease exposure risk at offal sites, and study how messaging impacts hunters' use of lead ammunition.

(m) **Green Heron as an Indicator of Wetland-Dependent Species**

$424,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to collect data on the year-round habitat use and migratory movements of green herons, assess potential factors leading to population decline, and identify conservation strategies to benefit the green heron and other wetland-dependent bird species.

(n) **Visualizing Minnesota's Natural Resources with CT Scanning**

$955,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to acquire a CT scanner, scan Bell Museum organismal specimens, create 3D prints from the scans, and share the data and prints through environmental education and research programs. The CT scanner purchased with this appropriation must prioritize use by and be made available cost-free to other Minnesota-focused researchers for the duration of this appropriation. This appropriation may also be used for equipment, tools, and supplies

needed to acquire, install, and use the scanner and print 3D models of scanned organisms. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10.

(o) **Mapping Human-Carnivore Conflicts in Human-Dominated Landscapes**

$563,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to evaluate bear, bobcat, and coyote habitat use, activity, and diet in Duluth and surrounding areas to map hotspots for human-carnivore conflicts and fill knowledge gaps to reduce conflicts. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(p) **Geologic Atlases for Water Resource Management**

$1,260,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue to produce geologic atlas maps and databases to inform management of groundwater and surface water. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

(q) **Leveraging Statewide Datasets for Native Rough Fish**

$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to construct species distribution models that predict presence and abundance of native rough fish species and identify potential areas for protection, additional monitoring, or restoration across the state.

This appropriation may also be used to build an interactive mapping tool and share results.

(r) **The Impacts of Climate Change on Northeastern Minnesota**

$772,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Boundary Waters Wilderness to work with collaborators to aggregate research, data, and other information about the impacts of climate change on the habitat and wildlife of northeastern Minnesota into a publicly available, web-based database. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(s) **Health and Disease Monitoring in Minnesota Wildlife**

$750,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Veterinary Diagnostic Laboratory, to collaborate with wildlife rehabilitation organizations and other wildlife health professionals throughout Minnesota to enhance the state's health and disease surveillance, preparedness, and response efforts.

(t) **Affordable Statewide Tracking of Forestry Fragmentation and Degradation**

$331,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to merge aircraft and satellite LiDAR data to build a model and an interactive real-time web dashboard of forest boundaries that provides business-ready information about statewide forest fragmentation and degradation due to human activities and natural disasters.

(u) **Safeguarding Bees While Monitoring Pollinators and Nesting Habitats**

$590,000 the first year is from the trust fund to the Board of Regents of the University of

Minnesota to pioneer low-mortality methods for monitoring bee populations and to investigate nest habitat materials and antimicrobial properties in cooperation with community scientists and management agencies. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(v) **Expanding the Application of Minnesota's Wetland Monitoring Data**

$312,000 the first year is from the trust fund to the commissioner of natural resources to use existing LiDAR and recurring aerial photographs to determine state grassland acreage and change over the last twenty years, evaluate key drivers of wetland change, and use technology to improve Minnesota's wetland monitoring.

(w) **Enhancing the Value of Minnesota Public Grasslands**

$390,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate a combination of prescribed fire, brush mowing, and targeted conservation grazing to develop ready-to-use management strategies for public land managers to mitigate woody species encroachment and increase biodiversity and carbon sequestration in public grasslands.

(x) **Foundational Precision Agriculture Data to Reduce Environmental Impacts**

$1,255,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the West Central Research and Outreach Center at Morris to establish data collection systems and methods at sentinel farm sites, develop and evaluate best management practices, and provide outreach and training to farmers to encourage adoption of precision agriculture technologies that reduce fertilizer and chemical use and improve water and air quality.

(y) **Continued Aggregate Resource Mapping**

$621,000 the first year is from the trust fund to the commissioner of natural resources to map the aggregate resource potential in the state of Minnesota and to make the information available in print and electronic format to local units of government to support informed land-use decisions and resource conservation.

(z) **Advancing Collaborative Wild Rice Monitoring Program Technologies**

$900,000 the first year is from the trust fund to the commissioner of natural resources to continue efforts to create a framework for long-term wild rice monitoring for conservation and collaborate with Tribal and nongovernmental organizations to collect additional data, improve collection and analysis methods, and develop a statewide estimate of wild rice abundance and coverage.

(aa) **Conserving Natural Resources by Advancing Forever Green Agriculture**

$2,146,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Forever Green Initiative to fund research projects to develop new perennial and winter-annual crops to protect water, wildlife, soil, other natural resources, and the climate. This appropriation is available until June 30, 2030, by which time the project must be completed and final products delivered.

(bb) **Minnesota's Priority Native Rough Fish: Gars and Bowfin**

$568,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop population dynamics, habitat use, and food web models for Minnesota gars and bowfins and conduct outreach to inform conservation and management and serve as a template for

study of Minnesota's other native rough fish species.

(cc) **Understanding to Improve Minnesota's Future Lake Water Quality**

$595,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use decade-long comprehensive lake, watershed, and weather data and high-resolution climate models to understand lake-specific drivers of water quality and predict the effects of future warming on harmful algal blooms across Minnesota.

(dd) **Operationalizing State Zooplankton Data to Support Lake Health**

$423,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use long-term monitoring data to determine the relationship between zooplankton communities and ecosystem services, like fisheries health and water quality, and develop biotic indices for lake health.

(ee) **Trialing Climate-Ready Woodland Trees in Urban Areas**

$255,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to demonstrate performance of climate-adaptive tree species and study land manager and public perceptions of these species to identify the best species and risk tolerance for future plantings in metropolitan areas of Minnesota.

(ff) **Superior Shores: Protecting Our Great Lakes Coastal Habitats**

$675,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to map the locations and survey the biological diversity and water quality of Lake Superior coastal rock pools. This appropriation may also be used to develop outreach materials

and host programs on rock pool understanding and conservation.

(gg) **Recruitment and Fecundity of Minnesota Moose**

$2,007,000 the first year is from the trust fund to the commissioner of natural resources for state and Tribal biologists to work collaboratively to estimate survival and fecundity of yearling and 2-year-old moose in northeast Minnesota to inform future management efforts. Of this amount, $841,000 is for an agreement with the 1854 Treaty Authority. This appropriation is available until June 30, 2031, by which time the project must be completed and final products delivered.

(hh) **Fighting Insect Decline: Minnesota Bumblebees to the Rescue**

$249,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to map historical and current bumblebee distribution and develop an identification tool using molecular barcodes and an online resource hub to improve conservation of Minnesota's native bumblebees.

(ii) **Trace Metals in Municipal Yard Waste and Compost**

$120,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess trace metal contamination from collected residential yard waste, finished compost, and compost leachate in municipal yard waste recycling programs.

(jj) **Chronic Wasting Disease Prions in Minnesota Waters**

$322,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate the movement of chronic wasting disease in Minnesota waters, assess the risk of spread, and share results with wildlife and watershed managers.

Subd. 4. **Water Resources** 11,812,000 -0-

(a) **Enhancing Our Resources - Rural Health and Drinking Water**

$994,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Freshwater Society to partner with the Mayo Clinic to educate well owners and family health providers about the geologic occurrence and risk of arsenic in drinking water. This appropriation is also to provide free arsenic testing to well owners in southeast Minnesota.

(b) **Restoration and Outreach for Minnesota's Native Mussels**

$1,258,000 the first year is from the trust fund to the commissioner of natural resources to propagate, rear, and restore native freshwater mussel populations and the ecosystem services they provide to Minnesota waters; to evaluate reintroduction success; and to inform the public on mussels and mussel conservation.

(c) **Pristine to Green: Toxic Blooms Threaten Northern Lakes**

$1,362,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to evaluate drivers that contribute to the formation of nuisance and toxic algal blooms in relatively pristine and protected lakes across Minnesota.

(d) **Training Lake Communities to Track Chloride and Algae**

$274,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Sea Grant college program in Duluth to develop and train a network of community-based volunteers to track chloride and harmful algal blooms in rural Minnesota lakes.

(e) **Clean Sweep Solution to Nonpoint Source Pollution**

$386,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Water Resources Center to enhance Clean Sweep programs, identify the pollutants present in street-sweeping materials, explore material reuse options, and quantify benefits of enhanced street sweeping. This appropriation may also be used to coordinate county and regional collaborations, develop resources, and provide training to increase targeted street-sweeping practices to reduce nonpoint source pollution to Minnesota's water resources.

(f) **Cyanotoxins in Minnesota Lakes: The Role of Sunlight**

$220,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify degradation of cyanobacterial toxins by sunlight to understand how increasing frequency of harmful algal blooms and changing environmental conditions influence toxin persistence in natural waters.

(g) **Enhancing Degradation of Emerging Contaminants via Microbial Starvation**

$390,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to study how wastewater treatment systems can be improved to more effectively biodegrade mixtures of pharmaceuticals, pesticides, and other contaminants of emerging concern and protect Minnesota's water resources.

(h) **Soil Health Management for Water Storage**

$454,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Water Resources Center to conduct on-farm and model-based research and develop guidance for watershed planners

and land managers to effectively use soil health management to achieve water storage and water quality goals.

(i) **Predicting Contaminant Movement in Minnesota's Fractured Aquifers**

$650,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to develop a software program that predicts the fate and movement of contaminants, such as PFAS, chloride, nitrate, and pathogens, in Minnesota's fractured aquifers.

(j) **Documentation and Toxicity of Microplastics in Urban Ecosystems**

$300,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to research how land use and toxicity affect the accumulation of microplastics and associated contaminants of concern in stormwater ponds and the wildlife that use stormwater ponds.

(k) **Terminating PFAS-Type Pesticides via Enzyme Cocktails**

$297,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate the ability of selected enzymes and combinations of enzymes to biodegrade per- and polyfluoroalkyl substances (PFAS) found in pesticides and to design a pilot-scale biofilter for effective elimination of PFAS from water.

(l) **Addressing 21st Century Challenges for the St. Croix**

$243,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to develop a watershed model to identify potential hydrologic and water quality impacts to the lower St. Croix River over the next 75 years and inform future planning and management in the watershed.

(m) **Impact of Statewide Conservation Practices on Stream Biodiversity**

$300,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use existing monitoring data to evaluate the effects of wetlands and riparian buffers on stream and river biodiversity and biological condition and develop tools and materials to inform the public and natural resource managers.

(n) **Modeling the Future Mississippi River Gorge**

$427,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, to construct a reduced-scale physical model of Mississippi River Pool 1, Lock & Dam 1, and adjacent upstream and downstream reaches; analyze water flow and sediment movement under various pool management strategies; and share results with the public to inform decisions on the future management of the lock and dam.

(o) **Highly Efficient Nutrient Removal Technology for Agricultural Drainage**

$453,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to conduct lab- and field-scale tests of a novel bioreactor technology for removing nutrients from agricultural drainage and disseminate results to farmers and the public.

(p) **Citizen Scientists Capture Microplastic Pollution Around State**

$419,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop adaptable microplastic sampling and detection methods, develop a public-access database, and leverage citizen scientists to survey microplastic pollution throughout the state to allow for data-driven risk management decisions and solutions.

(q) **Healthy Native Prairie Microbiomes for Cleaner Water**

$468,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to identify and characterize prairie plant microbiomes and study the potential of native prairie microbes to provide nitrogen for agricultural crops and reduce industrial fertilizer use and nitrate contamination of water.

(r) **Wastewater Chloride Reduction through Industrial Source Reduction Assistance**

$247,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Technical Assistance Program to provide technical assistance to businesses to cost-effectively reduce industrial and commercial chloride use in communities with high chloride effluent concentrations.

(s) **Pilot Water Budget Framework for Managing Water Withdrawals**

$198,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a pilot water budget framework to identify sensitive areas in Minnesota where net water withdrawals have a significant impact on surface water and groundwater.

(t) **Biofilm Mediated Destruction of PFAS in Groundwater**

$1,336,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Freshwater Society to develop biofilm treatment technology and demonstrate field-scale removal of per- and polyfluoroalkyl substances (PFAS) from contaminated groundwater. A fiscal management plan must be approved in the work plan before any trust fund money is spent.

(u) **Impact of Microplastics on Wastewater Treatment in Minnesota**

$506,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify the abundance of microplastics in wastewater treatment plants in Minnesota, determine how microplastics affect wastewater treatment plant performance, and evaluate how different wastewater treatment processes alter microplastics.

(v) **Portable Arsenic and Nitrate Detector for Well Water**

$358,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a small, cheap, and easy-to-use system to detect arsenic and nitrate in well water and determine whether well water is safe to drink.

(w) **Recovering Salts from Highly Saline Wastewater**

$272,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a method to recover useful salts from concentrated saline wastewater to increase the economic sustainability of high water-recovery softening, sulfate removal, and industrial wastewater treatment.

Subd. 5. **Environmental Education** 11,965,000 -0-

(a) **Eagle's Nest: Where the World Becomes Your Classroom**

$130,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Glacial Hills Elementary School to create interactive natural playground and landscaping features for children and provide environmental education programming outside of regular school hours.

(b) **Advancing Equity in Environmental Education**

$700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Camp Fire Minnesota to provide needs-based scholarships for Minnesota youth to attend state-standards-aligned environmental and outdoor education programs.

(c) **Teacher Field School - Phase 2: Increasing Impact**

$712,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hamline University to continue the teacher field school program that trains teachers how to connect academic content with environmental stewardship, natural resource conservation, and outdoor recreation. This appropriation is also to pilot a train-the-trainer model for nature-based education practices.

(d) **Creating Future Leaders in Outdoor and Environmental Leadership**

$330,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities for North Hennepin Community College to collaborate with K-12 education, higher education, and outdoor organizations to increase environmental education, leadership, internship, and career opportunities for underrepresented college and high school students.

(e) **Engaging our Diverse Public in Environmental Stewardship - Phase 2**

$249,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to increase participation in natural resources conservation and restoration efforts and careers through volunteer, internship, and youth engagement activities, with a focus on diverse audiences that more accurately reflect local demographic and socioeconomic conditions in Minnesota.

(f) **Outdoor School for Minnesota K-12 Students**

$3,992,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Osprey Wilds Environmental Learning Center to partner with four other accredited residential environmental learning centers in Minnesota to provide needs-based scholarships to K-12 students statewide for immersive multiday environmental learning experiences.

(g) **Statewide Environmental Education via PBS Outdoor Series**

$415,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Broadcasting Service to produce, distribute, and promote new episodes of a statewide public television series that inspires Minnesotans to connect with the outdoors and to restore and protect the state's natural resources.

(h) **Maajii-akii-gikenjigewin Conservation Crew Program**

$678,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Conservation Corps Minnesota & Iowa to expand a conservation corps program developed to provide natural resources career development opportunities for indigenous young adults and cultivate an enduring action-based conservation ethic through the integration of traditional knowledge, nature immersion, and the implementation of conservation and restoration practices in the field.

(i) **Reuse for the Future: Youth Education and Engagement**

$225,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Reuse Minnesota to provide curriculum-based opportunities for students to learn about the reuse economy, reuse skills, and other opportunities to reduce waste. This appropriation may also be used

to align materials to state standards and translate materials to additional languages.

(j) **River Bend Nature Center Outdoor Diversity Initiative**

$247,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with River Bend Nature Center to lead a coalition of educational partners and culturally specific organizations to expand recognized environmental education curriculum and provide conservation-based career exploration and job placement opportunities for diverse communities in southern Minnesota.

(k) **Camp Parsons Mississippi Summer**

$225,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Phyllis Wheatley Community Center to provide environmental education to Minneapolis urban youth through the Camp Parsons Mississippi Summer program that fosters connections to nature and encourages responsible stewardship of our natural resources.

(l) **Adult Outdoor Education for Minnesota's Underrepresented Communities**

$247,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Baztec Fishing & Outdoors to create fishing and hunting education, training, and opportunities for underserved and underrepresented communities in Minnesota. All fishing tackle purchased with this appropriation must be lead-free. A fiscal management plan must be approved in the work plan before any trust fund money is spent.

(m) **Minnesota's Road Map for Sustainability and Climate Education**

$491,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Climate Generation to

convene community gatherings and partner with institutions and organizations across the education sector to develop a road map on how to build capacity for equitable and accessible sustainability and climate education programs that align with the Minnesota Climate Action Framework.

(n) **ESTEP 2.0: Earth Science Teacher Education Project**

$643,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Science Teachers Association to provide professional development for Minnesota science teachers statewide in environmental and earth science content to strengthen environmental education in schools.

(o) **Engaging Latine Communities in Conservation and Preservation**

$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Comunidades Organizando el Poder y la Accion Latina to use community-based partnerships and communications platforms to host outdoor events and conduct educational outreach focused on Latine and BIPOC communities about the need to protect Minnesota's environment and natural resources.

(p) **Inclusive Wildlife Engagement in Classrooms and Communities**

$712,000 the first year is from the trust fund to the commissioner of natural resources for the nongame wildlife program to provide three wildlife conservation, action-based outdoor educational opportunities to engage needs-based schools, young adults, and communities underrepresented in natural resources through the Bird by Bird, Empowering Pathways into Conservation, and Community Science programs.

(q) **Activating Youth and Family Environmental Stewardship through Raptors**

$228,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to deliver standards-based environmental education featuring live raptors through school programs and community events across Minnesota.

(r) **Moving Minnesota toward a Lead-Free Sporting Future**

$250,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities for Bemidji State University to conduct educational outreach directed at hunters and anglers to increase awareness of lead-free options for big-game hunting, small-game hunting, and fishing as a means of reducing wildlife exposure to lead.

(s) **Science Centers Supporting Northern Boys and Girls Clubs**

$1,091,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Headwaters Science Center to expand access to environmental science education in northern Minnesota and leverage partnerships between rural and urban organizations to deliver culturally relevant, hands-on learning experiences to underserved students.

Subd. 6. **Aquatic and Terrestrial Invasive Species** 6,713,000 -0-

(a) **Aquatic Invasive Species: From Problems to Real-World Solutions**

$5,771,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. This appropriation may also be used to deliver research findings to end users through strategic communication

and outreach. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(b) **Optimizing Nonnative Cattail Treatment Effectiveness in Prairie Wetlands**

$942,000 the first year is from the trust fund to the commissioner of natural resources to compare the effectiveness of invasive cattail treatment methods and provide recommendations for managers to maximize benefits of conservation money for native wetland plants and wildlife. This appropriation is available until June 30, 2031, by which time the project must be completed and final products delivered.

Subd. 7. **Air Quality, Climate Change, and Renewable Energy** 11,744,000 -0-

(a) **Protecting Coldwater Fish Habitat in Minnesota Lakes**

$561,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to identify lake-specific watershed protection targets and management practices needed to maintain coldwater fish habitat threatened by warming temperatures and increasing extreme rain events and to integrate this information into conservation planning tools.

(b) **Agrivoltaics 2.0 Building a Resilient E-Farm**

$535,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the West Central Research and Outreach Center at Morris to evaluate emerging solar system designs and solar technology integration with vegetable and livestock production systems to maximize energy production and benefits to farmers.

(c) **Pine Needles Reveal Past and Present Airborne PFAS**

$550,000 the first year is from the trust fund to the commissioner of the Pollution Control Agency to use current and historic pine needles as a low-cost method to assess statewide per- and polyfluoroalkyl substances (PFAS) levels in ambient air.

(d) **Facilitated Transport Hybrid Membranes for CO_2 Separation**

$1,050,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop and test advanced polymeric membranes for capture and reuse of carbon dioxide at industrial sources.

(e) **Renewable Energy Conversion for Farm Diesel and Ammonia**

$726,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a novel charge-swing catalytic condenser that will enable the low-cost production of hydrogen from water using rural electricity for on-the-farm energy storage or renewable diesel and ammonia fertilizer.

(f) **Innovative Solution to Renewable Energy from Food Waste**

$5,167,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Ramsey/Washington Recycling and Energy Board to provide reimbursements to offset the processing fees for the public to divert organic materials from landfills and produce renewable natural gas through anaerobic digestion and sequestration of carbon into biochar. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(g) **Fueling the Future: Decarbonizing Regional Transportation Project**

$3,155,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Cloud to install a green hydrogen production, storage, and fueling station that provides a renewable, carbon-free, alternate fuel source to decarbonize community transportation and manufacturing sectors. This appropriation may also be used to convert city fleet and public transit vehicles to hydrogen fuel. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

Subd. 8. **Methods to Protect or Restore Land, Water, and Habitat** 12,188,000 -0-

(a) **Minnesota PlantWatch: Community Scientists Conserving Rare Plants**

$1,086,000 the first year is from the trust fund. Of this amount, $518,000 is to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum and $568,000 is to the commissioner of natural resources to enhance the Minnesota PlantWatch program to improve the conservation of Minnesota's natural resources and support community scientist-driven rare plant surveys and seed banking and preservation.

(b) **Grassland Restoration for Pollinator Conservation and Demonstration**

$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to restore a degraded pasture to grassland as a model for climate-resilient pollinator habitat; provide interpretive

signage, education, and community engagement; and conduct species monitoring. This appropriation is available until June 30, 2031, by which time the project must be completed and final products delivered.

(c) **Planning for Long-Term Natural Resources Protection in Hennepin County**

$250,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hennepin County to develop a publicly available interactive map of natural systems, create a centralized clearinghouse of data and best practices toolkit, and provide ongoing technical assistance for local communities with limited resources to manage complex natural resources challenges. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10.

(d) **Native Forages: Growing Drought and Climate Resiliency**

$2,254,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Ducks Unlimited to collaborate with livestock farmers to establish native grassland wildlife habitat and enhance native forages on working lands to improve ecological, economic, and climate resiliency. Notwithstanding subdivision 13, paragraph (e), restoration efforts may be undertaken on private lands but must occur on properties enrolled in long-term agreements to protect and maintain the restored areas in conformance with approved restoration and grazing plans as approved in the work plan. This appropriation is available until June 30, 2031, by which time the project must be completed and final products delivered.

(e) **Accelerated Genetic Migration of Bur Oak - Ten-Year Data**

$223,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to assess the growth and survival of previously restored bur oak ecotypes to inform techniques for improved climate resiliency. This appropriation may also be used to enhance the previous plantings and disseminate results of the study to practitioners, students, landowners, and others. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(f) **Superior Hiking Trail Bridge, Boardwalk, and Trailhead Renewal**

$532,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to renew Superior Hiking Trail bridges, boardwalks, and trailheads to increase user safety, improve the user experience, and protect adjacent land and water.

(g) **Mississippi Gateway Shoreline Stabilization and Fishing Improvements**

$735,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Three Rivers Park District to improve water quality and shoreline fishing access through shoreline stabilization and construction of accessible trails and fishing platforms within Mississippi Gateway Regional Park.

(h) **Phytoremediation of PFAS from Soil**

$1,066,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use interdisciplinary research in biology, nanotechnology, chemistry, and genetic engineering to develop technology to remediate soils contaminated with per- and polyfluoroalkyl substances (PFAS). This

appropriation may also be used to convene stakeholders to coordinate and advance PFAS remediation research in Minnesota. This appropriation is subject to Minnesota Statutes, section 116P.10.

(i) **Removing Mercury from Minnesota Waters**

$247,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to test and refine a biotechnology approach to remove mercury from the food chain in Minnesota's lakes and rivers and potentially make fish consumption in Minnesota safer. This appropriation is subject to Minnesota Statutes, section 116P.10.

(j) **Evaluating Native Seed Mixes for Grazing**

$208,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Restoravore to assess the use of native hay and pasture mixes to benefit biodiversity, soil health, and Minnesota farmers. A fiscal management plan must be approved in the work plan before any trust fund money is spent.

(k) **Improving Minnesota Forest Health via Post-Duff-Burning Soil Analysis**

$646,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to thoroughly investigate the impact of forest floor duff fires on soil dynamics, nutrient cycles, invasive shrubs, earthworms, and root systems to improve fire management for Minnesota's forest preservation. This appropriation may also be used to develop an outdoor lab-scale duff-burning device.

(l) **Minnesota Riverbank Protection and Parks Improvements**

$1,400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Shakopee to restore Minnesota River shoreline at Huber Park by regrading and establishing native

vegetation to protect fish and wildlife habitat, reduce erosion, and provide public access to the river. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(m) **Restoration at Wakan Tipi and Bruce Vento Nature Sanctuary**

$669,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Lower Phalen Creek Project to conduct citizen-science natural resource data collection events, recruit and train volunteer site stewards, and enhance habitat at Wakan Tipi and the Bruce Vento Nature Sanctuary.

(n) **Promoting Pollinators on Corporate Campuses**

$547,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to use experimental bee lawn installations on corporate campuses, combined with landscape modeling and employee surveys, to determine potential ecological, economic, and societal benefits of widespread commercial lawn habitat transformation. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(o) **Riparian Area Adaptation Strategy for Southeast Minnesota**

$243,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Nature Conservancy, in partnership with the University of Minnesota, to assess an alternative adaptation strategy to restore riparian areas by excavating and planting riparian shrubs to reconnect the floodplains. This appropriation may also be used for outreach materials and educational activities.

(p) **Minnehaha Park South Plateau Oak Savanna Restoration**

$242,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to improve wildlife habitat, enhance recreational experiences, and restore an area of urban parkland in Minnehaha Park to an oak savanna ecosystem. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(q) **Tree Protection for Minnesota's Tamarack Against Larch Beetle**

$321,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate new insect management techniques and key factors for predicting future infestations to protect and preserve trees from native eastern larch beetle infestations.

(r) **Shoreline Restoration and Enhancement at Minneapolis Lakes**

$819,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to restore and enhance areas of turf-dominated, eroding, and low habitat value lakeshore that impacts the water quality of the Minneapolis Chain of Lakes.

(s) **Developing Markets for CLC Crops**

$450,000 the first year is from the trust fund to the commissioner of agriculture to provide grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stage of commercial development. This appropriation is exempt from the income repayment requirements in Minnesota Statutes, section 116P.10, paragraph (c).

Subd. 9. **Land Acquisition, Habitat, and Recreation** 19,553,000 -0-

(a) **Cannon River Preservation and Access**

$2,717,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County to rehabilitate the historic Waterford Bridge for the Mill Towns State Trail; restore and enhance upland shoreline, forest, and prairie habitats; and develop a trailhead and recreational access to the Cannon River.

(b) **Mesabi Trail: Aurora to Hoyt Lakes**

$1,325,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with St. Louis and Lake Counties Regional Railroad Authority for environmental review and permitting and to engineer, design, and construct a segment of the Mesabi Trail beginning at the intersection of Main Street and Forestry Road in Aurora toward Hoyt Lakes.

(c) **RTA Maintenance Trail Stabilization Project**

$500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Eden Prairie to construct a retaining wall and restore adjacent remnant prairie along the maintenance trail at Richard T. Anderson (RTA) Conservation Area to mitigate ongoing erosion and protect native habitat and plant communities.

(d) **Local Parks, Trails, and Natural Areas Grant Programs**

$4,769,000 the first year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such

as sport fields, courts, and playgrounds. This appropriation is exempt from subdivision 13, paragraph (k).

(e) **Boardwalk Over Boggy Land for Recreational Purposes**

$148,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Battle Lake to design and construct a boardwalk over city land to protect wetlands and to increase community access to natural areas and wildlife habitat.

(f) **Lake Zumbro Park Water Access and Site Improvements**

$1,978,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Olmsted County to enhance the Lake Zumbro Park water access and the federal Americans with Disabilities Act (ADA) accessibility for boating, fishing, and viewing, while creating new user-friendly and accessible amenities for individuals and families. This may include new fishing docks or piers, restored shoreline, improved parking, and ADA accessible access to an existing kayak and canoe launch.

(g) **Scientific and Natural Area (SNA) Biodiversity Protection**

$1,104,000 the first year is from the trust fund to the commissioner of natural resources for the scientific and natural area program to conserve Minnesota's most unique places and rare species and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(h) **Scandia Gateway Trail Connection: Recreation, Wetlands, and Environmental Education**

$907,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Scandia to engineer, design, and construct a bike and pedestrian trail to connect recreational, cultural, and environmental resources in Scandia to the state Gateway Trail. This appropriation is also to create and install educational interpretive signage about wetlands and rain gardens near the trail.

(i) **Lake Byllesby Regional Park Restoration and Recreation**

$1,120,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County to restore prairie, woodland, and shoreline habitat and design and install trails, birding and picnic areas, and other recreational amenities to enhance the visitor experience and stewardship at Lake Byllesby Regional Park. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(j) **Thompson County Park Restoration and Accessibility Improvements**

$867,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County to develop a pollinator promenade with accessible natural surface paths, native plantings, and interpretive signage at Thompson County Park. This appropriation may also be used to conduct stream restoration to enhance visitor experience and provide stormwater storage, sediment and nutrient reduction, and increased habitat and species diversity within the park. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(k) **Thom Storm Chalet and Outdoor Recreation Center**

$2,312,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to construct a new building and accessible parking for the Thom Storm Chalet and Outdoor Recreation Center at Chester Park to expand high-quality outdoor recreation and environmental education opportunities that enhance youth and family understanding of the importance of natural resource protection, conservation, and preservation. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10.

(l) **Enhancing Preservation and Accessibility at Hawk Ridge Nature Reserve**

$155,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to develop accessible trails and remove invasive species to enhance outdoor recreation and education opportunities that promote conservation of raptors and preservation of natural resources at Hawk Ridge Nature Reserve.

(m) **Echo Bay County Park - Phase 1 Construction**

$1,122,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct, in accordance with the Echo Bay County Park Master Plan, access roads, trails, parking, and bathroom facilities that create designated public access and use corridors for outdoor recreation and limit natural resource impacts in Echo Bay County Park.

(n) **Chaska Big Woods Property Acquisition**

$529,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Chaska to acquire property that contains remnant Big Woods to protect Minnesota forests and

wetlands and to increase community access to natural areas.

Subd. 10. **Administration, Emerging Issues, and Contract Agreement Reimbursement** 7,267,000 -0-

(a) **Emerging Issues Account**

$2,984,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

(b) **2025 Contract Agreement Reimbursement**

$280,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts, including for the agreements specified in this section.

(c) **LCCMR Administrative Budget**

$4,000,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2026 and 2027 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2027. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

(d) **Legislative Coordinating Commission Legacy Website**

$3,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. **Availability of appropriations**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific

appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available for three years beginning July 1, 2025, and ending June 30, 2028, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal award, the period of the appropriation is extended to equal the federal award period to a maximum trust fund appropriation length of six years.

Subd. 12. **Data availability requirements**

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guidelines and final data must be uploaded to the Minnesota Geospatial Commons upon project completion. All data must be accessible and

free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 13. **Project requirements**

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (m) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with money from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using money appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography,

and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to the easement in the easement document;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least 20 business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities, such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient

must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public money, a recipient of money appropriated under this section must, within 60 days of a land acquisition, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

(m) A recipient of an appropriation from the trust fund under this section that is receiving funding to conduct children's services, as defined in Minnesota Statutes, section 299C.61, subdivision 7, must certify to the Legislative-Citizen Commission on Minnesota Resources, as part of the required work plan, that criminal background checks for background check crimes, as defined in Minnesota Statutes, section 299C.61, subdivision 2, are performed on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services using the appropriation.

Subd. 14. **Payment conditions and capital equipment expenditures**

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2025, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 15. **Purchasing recycled and recyclable materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials, and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 16. **Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 17. **Carryforward; extensions**

(a) The availability of the appropriations for the following projects is extended to June 30, 2026:

(1) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 3, paragraph (d), Foundational Hydrology Data for Wetland Protection and Restoration;

(2) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 6, paragraph (b), Protect Community Forests by Managing Ash for Emerald Ash Borer;

(3) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 9, paragraph (t), Chippewa County Acquisition, Recreation, and Education;

(4) Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 3, paragraph (g), Geologic Atlases for Water Resource Management;

(5) Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 3,

paragraph (n), Bioacoustics for Broad-Scale Species Monitoring and Conservation;

(6) Laws 2022, chapter 94, section 2, subdivision 4, paragraph (f), Water and Climate Information to Enhance Community Resilience;

(7) Laws 2022, chapter 94, section 2, subdivision 4, paragraph (i), Is the Tire Chemical 6PPDq Killing Minnesota's Fish?;

(8) Laws 2022, chapter 94, section 2, subdivision 7, paragraph (a), Green Solar Cells from a Minnesota Natural Resource;

(9) Laws 2022, chapter 94, section 2, subdivision 8, paragraph (d), Hastings Lake Rebecca Park Area;

(10) Laws 2022, chapter 94, section 2, subdivision 9, paragraph (a), as amended by Laws 2023, chapter 60, article 2, section 15, Mesabi Trail: Wahlsten Road (CR 26) to Tower; and

(11) Laws 2022, chapter 94, section 2, subdivision 9, paragraph (j), as amended by Laws 2024, chapter 83, section 5, Silver Bay Multimodal Trailhead Project.

(b) The availability of the appropriations for the following projects is extended to June 30, 2027:

(1) Laws 2022, chapter 94, section 2, subdivision 4, paragraph (g), Catch and Reveal: Discovering Unknown Fish Contamination Threats;

(2) Laws 2022, chapter 94, section 2, subdivision 9, paragraph (e), Native Prairie Stewardship and Prairie Bank Easement Acquisition;

(3) Laws 2022, chapter 94, section 2, subdivision 9, paragraph (h), SNA Habitat Restoration and Public Engagement; and

(4) Laws 2022, chapter 94, section 2, subdivision 9, paragraph (n), Ranier Safe Harbor/Transient Dock - Phase 2.

EFFECTIVE DATE. Subdivision 17 is effective the day following final enactment.

Sec. 3. Laws 2024, chapter 83, section 2, subdivision 3, is amended to read:

Subd. 3. **Foundational Natural Resource Data and Information**	-0-	14,993,000

(a) **Native Plant Community Data in the City of Duluth**

$198,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Land Trust to develop field-verified native plant community data and maps for the city of Duluth and the St. Louis River estuary to support conservation and restoration activities.

(b) **Reconstructing Historical Wild Rice to Understand Its Future**

$200,000 the second year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to characterize environmental drivers contributing to the decline of wild rice using lake sediment cores to reconstruct historical wild rice abundance in relation to lake and watershed stressors.

(c) **Characterizing Tree Cavities and Use by Minnesota's Wildlife**

$349,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to assess the effects of forest management on Minnesota's primary cavity engineer, the pileated woodpecker, and on the wildlife that rely on the cavities that pileated woodpeckers create. This appropriation is also to develop management guidelines.

(d) **Fate of Minnesota's Lakes in the Next Century**

$453,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to use new modeling techniques to quantify how water quality of Minnesota's lakes will change in the next century under future land use and climate change scenarios and to create an online web tool to display the results. This appropriation is subject to Minnesota Statutes, section 116P.10.This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(e) **Turtle Island Skywatchers - Minnesota Research and Data Visualization**

$200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Native Skywatchers Inc. to engage youth in environmental stewardship by collecting images and acoustic data from turtles and other culturally significant animals and their habitats, evaluating the differences in these soundscapes across landscapes, and sharing the results through scientific storytelling and online platforms.

(f) **Monitoring Minnesota's Insects: Connecting Habitat to Insect Prey**

$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to investigate the ecological roles of and energy transfer by certain Minnesota insects throughout their life cycles and to train future insect researchers on field techniques.

(g) **Determining Ambient Background PFAS Concentrations in Minnesota Soils**

$621,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency to determine ambient background per- and polyfluoroalkyl substance (PFAS) levels in urban and nonurban soils to help Minnesota develop

management strategies for PFAS-contaminated soils. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(h) **Investigating Life History Characteristics of Minnesota Elk**

$933,000 the second year is from the trust fund to the commissioner of natural resources to assess Minnesota elk herd health and genetic diversity, movements, survival, and causes of mortality and to develop a noninvasive, safer, and more accurate method to estimate population size. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(i) **Foundational Data for Moth and Butterfly Conservation**

$195,000 the second year is from the trust fund to the commissioner of natural resources to perform field surveys and consolidate existing data to create the first comprehensive list of Minnesota moths and butterflies. This appropriation is also to conduct outreach to inform land managers and to facilitate public appreciation of these species.

(j) **DNR County Groundwater Atlas**

$3,200,000 the second year is from the trust fund to the commissioner of natural resources to continue producing county groundwater atlases to inform management of surface water and groundwater resources for drinking and other purposes. This appropriation is for Part B, to characterize the potential water yields of aquifers and aquifers' sensitivity to contamination.

(k) **Voyageurs Wolf Project - Phase III**

$996,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to continue to study summertime wolf predation on deer, moose,

and other species in the greater Voyageurs ecosystem to inform wildlife management and to share natural history of this species with the public. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(l) **Distribution and Population Status of Weasels in Minnesota**

$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to determine the distribution, relative abundance, and spatial occupancy patterns of small weasel species in Minnesota to fill key knowledge gaps in weasel distribution and status in Minnesota.

(m) **Improving Aquatic Plant Knowledge for Healthy Waters**

$198,000 the second year is from the trust fund to the commissioner of natural resources to collect foundational data on Minnesota's native aquatic plant biodiversity through new and enhanced lake surveys and to disseminate results to state resource managers, scientists, and the public.

(n) **New Small Mammal Monitoring Methods for Minnesota**

$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to develop camera trapping methods as a new tool to collect foundational data and fill key knowledge gaps in the status of small mammal species in Minnesota.

(o) **Status of Bats and Roost Trees after White-Nose Syndrome**

$195,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural

Resources Research Institute in Duluth to study changes in maternity roost trees and bat populations in the forested areas of Minnesota and to evaluate the effects of years of white-nose syndrome on Minnesota bats.

(p) **Sublethal Effects of Pesticides on the Invertebrate Community**

$387,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to provide data on pesticide contamination in soil and the insect community across the state and the effect of insecticide exposure on insect reproduction. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(q) **Modernizing Minnesota's Plant Community Classification and Field Guides**

$1,800,000 the second year is from the trust fund to the commissioner of natural resources to collect additional vegetation and environmental data and update the state's 20-year-old native plant community classification guides to incorporate new data, streamline user application and access to products, and include analysis of climate and vegetation trends. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan. This appropriation is subject to Minnesota Statutes, section 116P.10.

(r) **Assessing Prairie Health to Inform Pollinator Conservation**

$297,000 the second year is from the trust fund to the Minnesota Zoological Society to assess habitat quality and pesticide occurrence in Minnesota prairies to help inform management actions, endangered species recovery plans, and pollinator reintroduction efforts for endangered and threatened butterflies and other wildlife.

(s) **Understanding Native Fishes in the Bowfishing Era**

$588,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to collect foundational biological information on a selection of native Minnesota fish to aid in sustainable management, improve recreational opportunities, and educate the public about these shared aquatic resources. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(t) **Preserving Minnesota Wildflower Information**

$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to preserve and enhance Minnesota Wildflowers Information, an online tool for plant identification, by integrating the content and functionality of the website with the Minnesota Biodiversity Atlas for public use as required by Laws 2017, chapter 96, section 2, subdivision 3, paragraph (e).

(u) **White-Tailed Deer Movement and Disease in Suburban Areas**

$699,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to better understand white-tailed deer movement, habitat use, and disease dynamics at the suburban-agricultural interface to inform more efficient deer management and disease control.

(v) **Highly Pathogenic Avian Influenza and Minnesota Raptors**

$187,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to evaluate Minnesota raptors for current or past infections with highly pathogenic avian influenza virus to better

understand disease transmission and outbreak impacts on raptor populations.

(w) **Geologic Atlases for Water Resource Management**

$1,236,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases to inform management of surface water and groundwater resources. This appropriation is to complete Part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources.

(x) **Remote Sensing for Pollinator Habitat**

$180,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Monarch Joint Venture to use remote sensing technology to evaluate pollinator habitat on energy and transportation corridors across Minnesota and to host field-day training workshops. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan as provided under Minnesota Statutes, section 116P.10.

(y) **Harnessing Cover Crops and Roots for Sustainable Cropping**

$375,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to determine carbon sequestration, nitrogen credit potential, water use, and performance of cover crops in corn-soybean and corn-soybean-wheat rotations in southern Minnesota.

(z) **Effects of Conservation Grazing on Solar Sites Managed for Pollinator Habitat**

$88,000 the second year is from the trust fund to the commissioner of natural resources

for an agreement with Minnesota Native Landscapes, in partnership with Temple University, to analyze the effects of sheep grazing and mowing on the vegetation and soils of solar sites managed for pollinator habitat and to improve understanding of the environmental outcomes from the colocation of solar panels; grazing; and native, pollinator-friendly vegetation. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(aa) **Genetic Detection of Endangered Mussels in the Mississippi**

$241,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey, Ohio Water Microbiology Lab, to create, optimize, and use eDNA assays to detect the presence of endangered or threatened mussel species around Buffalo Slough near the Prairie Island Indian Community.

(bb) **Integrated Population Modeling for Trumpeter Swans**

$180,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to compile and use all available data to model historical population abundance and estimate future population dynamics of Minnesota trumpeter swans.

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

Sec. 4. Laws 2024, chapter 83, section 2, subdivision 8, is amended to read:

Subd. 8. **Methods to Protect or Restore Land, Water, and Habitat**	-0-	10,910,000

(a) **Long-Term Preservation of Minnesota's Ball Cactus Population**

$100,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota

Landscape Arboretum to protect Minnesota's only population of ball cactus by supporting population expansion and establishment, monitoring transferred plants, and training long-term volunteer monitors. This appropriation is available until June 30, 2029, by which time the project must be completed and final products delivered.

(b) **Morrison County Historical Society Streambank Stabilization and Restoration**

$519,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Morrison Soil and Water Conservation District to stabilize and restore land along the Mississippi River owned by the Morrison County Historical Society within the statutory boundaries of Charles A. Lindbergh State Park to improve water quality and improve aquatic and terrestrial habit. For purposes of this appropriation, subdivision 13, paragraph (e), does not apply. The commissioner of natural resources may make reasonable amounts of this appropriation available on an advance basis to accommodate the Morrison Soil and Water Conservation District's cash-flow needs if a plan for the advances is approved as part of the work plan.

(c) **Can Increased Tree Diversity Increase Community Diversity?**

$415,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate impacts of increasing tree diversity on wildlife, plant and fungal communities, and carbon storage within aspen forests in northern Minnesota to develop best management practices for mixed woodland systems.

(d) **Restoration of Riverside Park**

$141,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Long Prairie to improve water retention, increase native

habitat, and enhance footpaths for recreation at Riverside Park in Todd County, Minnesota. The project must create a net increase in habitat, and this appropriation may not be used to meet the conditions of any permits received for the project.

(e) **Pollinator Central IV: Habitat Improvement with Public Engagement**

$698,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to partner with municipalities, educational organizations, and volunteers to create and enhance pollinator habitat along public corridors from Lakeville to St. Cloud and to engage youth and the public through education and monitoring the impact of habitat improvements. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(f) **Conservation Grazing for Birds, Beef, and Better Soil**

$342,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to assess Audubon Conservation Ranching as a strategic approach to improve grassland biodiversity, soils, and ecosystem resilience. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(g) **Minnesota Microbes for Enhanced Biodegradation of Microplastics**

$524,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to investigate the potential of natural and indigenous microbes to biodegrade conventional plastics in contaminated soils and waters across the state. This appropriation is subject to Minnesota Statutes, section 116P.10.

(h) **Completing the Mississippi River Greenway: Dakota County**

$657,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Dakota County to restore and enhance habitat on public lands, establish linear native plantings, and install electric-vehicle charging stations within and along the 27-mile Mississippi River Greenway in Dakota County. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan. This appropriation is subject to Minnesota Statutes, section 116P.10, and is available until June 30, 2028, by which time the project must be completed and final products delivered.

(i) **Enabling Nature to Destroy Environmental PFAS Contaminants**

$378,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify enzymes and microbes that can break down soil-based per- and polyfluoroalkyl substances (PFAS) into nontoxic elements. This appropriation is subject to Minnesota Statutes, section 116P.10.

(j) **Bioacoustics for Species Monitoring and Conservation - Phase 2**

$568,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to assess avian diversity at the statewide scale by developing a citizen science bioacoustics monitoring program with an initial focus on private lands.

(k) **Preventing PFAS and Microplastics Contaminants Across Minnesota**

$656,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to help stop the flow

of per- and polyfluoroalkyl substances (PFAS) and microplastics contaminants into Minnesota's environment by developing strategies and technologies to manage solid waste streams on site. This appropriation is subject to Minnesota Statutes, section 116P.10.

(l) **Shingle Creek Aquatic and Shoreline Habitat Enhancement**

$1,100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to plan and restore a section of Shingle Creek in north Minneapolis with native aquatic and shoreline vegetation, channel and bank modification, and natural stream features. This appropriation is also to monitor plant and animal health following construction to ensure that the ecological functioning of the creek corridor is restored. This appropriation is available until June 30, 2030, by which time the project must be completed and final products delivered.

(m) **LiDAR Technology to Help Prevent Wildlife Fatalities from Wind Turbines**

$525,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to create a low-cost and advanced LiDAR system to detect bats and birds approaching wind turbines that may be used in concert with deterrence or impact avoidance methods to prevent collisions. This appropriation is subject to Minnesota Statutes, section 116P.10.

(n) **Road Salt Pollution of Surface Waters from Groundwater**

$622,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to inform source-reduction efforts by developing a model to identify hot spots where

road-salt-contaminated groundwater leads to chloride pollution of surface waters.

(o) **Growing the Minnesota Bison Conservation Herd**

$1,775,000 the second year is from the trust fund to the commissioner of natural resources to reintroduce bison to Camden State Park as part of a statewide effort to preserve the American Plains bison genome. Reintroduction includes the design, construction, and installation of fencing, a handling facility, signage, exhibits, and other site improvements. This appropriation is available until June 30, 2030, by which time the project must be completed and final products delivered.

(p) **Priority Lakes: Meeting Protection Goals and Multiplying Benefits**

$1,890,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Hubbard County Soil and Water Conservation District, in cooperation with Minnesota Land Trust, to protect habitat, forest health, and water quality in the best fishing lakes by creating lake implementation action plans, conducting community-based habitat restorations and improvements, and protecting forest lands with conservation easements and Sustainable Forest Incentive Act (SFIA) enrollments within prioritized areas of the upper Mississippi River basin ~~in Hubbard County~~. Of this amount, up to $168,000 is for deposit in a monitoring fund to be used by Minnesota Land Trust as approved in the work plan and subject to Minnesota Statutes, section 116P.20.

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

ARTICLE 3

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND COMMUNITY GRANTS APPROPRIATIONS

Section 1. **APPROPRIATION; ENRTF COMMUNITY GRANT PROGRAM.**

$28,180,000 in fiscal year 2026 and $28,180,000 in fiscal year 2027 are appropriated from the environment and natural resources trust fund to the commissioner of natural resources to make grants under the environment and natural resources trust fund community grant program established in Minnesota Statutes, section 116X.03. These are onetime appropriations and are available until June 30, 2029.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2024, section 84.027, is amended by adding a subdivision to read:

Subd. 21. **Outreach to culturally diverse communities.** The commissioner must ensure that, to the maximum extent practicable, the commissioner's work and the work of the department are carried out in a manner that facilitates outreach to and communication with Minnesotans of diverse backgrounds, cultures, and languages. To the maximum extent practicable, public hearings, solicitations for grant proposals, and other interactions with the public must include audiovisual communication components and must not rely exclusively on written forms of communication.

Sec. 2. Minnesota Statutes 2024, section 84.03, is amended to read:

84.03 ADDITIONAL DUTIES AND POWERS.

(a) So far as practicable the commissioner shall collect and arrange statistics and other information in reference to the lands and general and special resources of the state.

(b) The commissioner is hereby authorized and empowered to take such measures as the commissioner may deem advisable to advertise, both within and without the state, sales of all state lands, and to secure, compile, and issue such valuable statistics of the resources of the state.

(c) The commissioner may adopt and promulgate reasonable rules, not inconsistent with law, governing the use and enjoyment of state land reserved from sale, state parks, state water-access sites, state trails, state monuments, state scientific and natural areas, state wilderness areas, and recreational areas owned by other state, local and federal agencies and operated under agreement by the Department of Natural Resources, which shall have the force and effect of law. A reasonable fee may be fixed, charged, and collected by the commissioner for the privilege of the use of any or all of the foregoing privileges and facilities.

~~(d) The commissioner, on or before November 15 of each even-numbered year, shall report to the legislature the commissioner's acts and doings, with recommendation for the improvement or conservation of state parks, state water-access sites, state trails, and state monuments, state scientific and natural areas, state forests, state wildlife management areas, public hunting grounds, public shooting grounds, food and cover planting areas, wildlife lands, recreational or public hunting areas, state wild and scenic rivers, state wilderness areas, and all other recreational lands under the jurisdiction of the Department of Natural Resources, and for desirable accessions thereto, such report to include an inventory of the tracts and parcels of land, and rights, interests, and easements therein, held by the state or withdrawn from sale for any of these purposes, with the value thereof, and a list of the name, location, size, and description of each state trail, state scientific and natural area, state wildlife management area, state water-access site, and state wild, scenic, or recreational river~~

~~designated by the commissioner, and each public hunting grounds, public shooting grounds, food and cover planting area, wildlife lands, and recreational or public hunting area acquired by the commissioner since the last report. The commissioner shall maintain a long range plan governing the use of the public domain under the commissioner's jurisdiction.~~

Sec. 3. **[84.1515] WILD RICE POLICY.**

It is the policy of the state to recognize the innate significance of uncultivated wild rice's ability to exist and thrive in Minnesota. The legislature finds that wild rice:

(1) is a nutrient-rich, natural food source that has been sustainably harvested in this state for centuries;

(2) is sacred to Indian Tribes and is a core component of their cultural identity;

(3) thrives in clean, shallow water, without requiring pesticides, fertilizers, or harmful chemicals;

(4) supports rural economies by providing jobs, fostering local businesses, and supporting ecotourism;

(5) plays a crucial role in preventing toxic algae blooms, absorbing carbon dioxide, fostering vital habitat for fish, and stabilizing lake beds; and

(6) is essential for safeguarding Tribal food security and upholding Tribal treaty rights.

Sec. 4. Minnesota Statutes 2024, section 84.8035, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a person may not operate an off-road vehicle on a state or grant-in-aid off-road vehicle trail or use area unless the ~~vehicle displays an~~ operator carries a valid off-road vehicle state trail pass issued according to this section. The pass must be available ~~to be viewed~~ for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of the fee. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-road vehicle organizations to construct and maintain off-road vehicle trails and use areas.

(c) An off-road vehicle state trail pass is not required for:

(1) an off-road vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.798, subdivision 2;

(2) a person operating an off-road vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a person operating an off-road vehicle that is registered according to section 84.798.

(d) The fee for an annual nonresident off-road vehicle state trail pass is $20. The nonresident pass is valid from January 1 through December 31. The fee for a nonresident three-year pass is $30.

(e) The fee for a resident off-road vehicle state trail pass is $20. The resident pass is valid for 30 consecutive days after the date of issuance.

Sec. 5. **[84.9766] OUTDOOR SCHOOL FOR ALL; GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of natural resources must establish and administer a program to provide grants to learning centers eligible under subdivision 2 for outdoor education programs serving students in grades 4 through 12.

Subd. 2. **Eligibility.** (a) The commissioner may award grants under this section to overnight outdoor school experience providers accredited by a state-recognized school accrediting agency and to other outdoor school experience accredited providers offering similar programming.

(b) To be eligible for a grant under this section, the outdoor education program must:

(1) provide a multiday, overnight educational experience that is comprised mainly of outdoor-based learning activities;

(2) provide students with opportunities to directly experience and understand nature and the natural world, including field study opportunities for student learning;

(3) use a research-based environmental, ecological, agricultural, or other natural-resource-based educational curriculum;

(4) be integrated with local school curricula to help students meet academic standards;

(5) provide students with opportunities to develop:

(i) leadership;

(ii) critical thinking;

(iii) self-sufficiency;

(iv) decision-making skills; and

(v) social and emotional skills; and

(6) address accessibility of outdoor educational opportunities for underserved students, including students with disabilities.

Sec. 6. Minnesota Statutes 2024, section 84D.01, is amended by adding a subdivision to read:

Subd. 6a. **Eviscerated.** "Eviscerated" means to have the internal organs removed from the body cavity or to have the gills severed to ensure that an organism is dead.

Sec. 7. Minnesota Statutes 2024, section 84D.05, subdivision 1, is amended to read:

Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase, sell, propagate, transport, or introduce a prohibited invasive species, except:

(1) under a permit issued by the commissioner under section 84D.11;

(2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

(3) under a restricted species permit issued under section 17.457;

(4) a person may possess, import, purchase, sell, and transport bighead carp, grass carp, and silver carp if they are dead and eviscerated;

~~(4)~~ (5) when being transported to the department, or another destination as the commissioner may direct, in a sealed container for purposes of identifying the species or reporting the presence of the species;

~~(5)~~ (6) when being transported for disposal as part of a harvest or control activity when specifically authorized under a permit issued by the commissioner according to section 103G.615, when being transported for disposal as specified under a commercial fishing license issued by the commissioner according to section 97A.418, 97C.801, 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the commissioner;

~~(6)~~ (7) when being removed from watercraft and equipment, or caught while angling, and immediately returned to the water from which they came;

~~(7)~~ (8) when being transported from riparian property to a legal disposal site that is at least 100 feet from any surface water, ditch, or seasonally flooded land, provided the prohibited invasive species are in a covered commercial vehicle specifically designed and used for hauling trash; or

~~(8)~~ (9) as the commissioner may otherwise prescribe by rule.

Sec. 8. **[86B.109] ABANDONED WATERCRAFT.**

Subdivision 1. **Tagging authority; notice to owner.** (a) A peace officer or an employee designated by the commissioner under section 84.0835 may place a tag on a watercraft unlawfully located on public accesses, public lands, and waters of this state or unlawfully located on property adjacent to waters of this state. A watercraft is unlawfully located if the watercraft appears to be:

(1) inoperative and neglected, wrecked, stranded, or substantially dismantled;

(2) in immediate danger of sinking; or

(3) unmoored and unattended.

(b) A peace officer or employee who places a tag on a watercraft under this subdivision must notify the commissioner of placing the tag within 48 hours. The notification must include a statement of the basis for the decision to place a tag on the watercraft.

(c) Upon receiving notification under paragraph (b), the commissioner must send a notice by certified mail, return receipt requested, to the registered owner of the watercraft. The notice must state that:

(1) the watercraft has been tagged and the condition that resulted in the watercraft being tagged must be remedied immediately; and

(2) failure to remedy within 14 days of the notice being sent is a criminal violation that may result in civil and criminal penalties and the forfeiture of the watercraft.

Subd. 2. **Failure to remedy.** The registered owner of a watercraft who knowingly fails to remedy the condition that resulted in the watercraft being tagged within 14 days of the commissioner sending the notice required by subdivision 1, paragraph (c), is guilty of a misdemeanor. In addition, the owner is liable to the Department of Natural Resources for all costs incurred by the commissioner in enforcing this section against the owner and is subject to a civil penalty of not less than two times nor more than five times the costs incurred by the commissioner to remove, process, and dispose of the watercraft. Civil penalties imposed under this subdivision may be enforced and distributed as provided in section 115A.99.

Subd. 3. **Seizure of abandoned watercraft.** Fourteen days after the commissioner sends the notice required by subdivision 1, paragraph (c), to the registered owner, or concludes that there is no registered owner, the commissioner must investigate the watercraft. If, upon inspection, the watercraft has not been removed and the condition that prompted the peace officer or employee to tag it has not been substantially remedied, the watercraft is considered abandoned and the commissioner must seize and forfeit the watercraft according to section 97A.223.

Subd. 4. **Relation to other law.** An abandoned watercraft that becomes submerged and subject to section 86B.107 must be removed and disposed of in accordance with that section.

Subd. 5. **Exceptions.** This section does not apply to previously sunk watercraft of historical significance or that are currently a destination for scuba divers or commercial tourism that do not pose an ongoing environmental or public safety risk.

Sec. 9. Minnesota Statutes 2024, section 86B.415, subdivision 7, is amended to read:

Subd. 7. **Watercraft surcharge.** A ~~$10.60~~ surcharge is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of aquatic invasive species such as zebra mussel, purple loosestrife, and Eurasian watermilfoil in public waters and public wetlands. The surcharge is:

(1) for a watercraft 19 feet or less in length, other than a watercraft listed in clauses (2) to (8), $29;

(2) for a watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, $25;

(3) for a sailboat 19 feet in length or less, $20;

(4) for a watercraft used by a nonprofit corporation for teaching boat and water safety, $14;

(5) for a watercraft owned by a dealer under a dealer's license, $50;

(6) for a personal watercraft, including one offered for rent or lease, $25;

(7) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (2) to (6), $25;

(8) for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length, $20;

(9) for a watercraft more than 19 feet but less than 26 feet in length, other than a watercraft listed in clauses (4), (5), (8), and (12), $38;

(10) for a watercraft 26 feet but less than 40 feet in length, other than a watercraft listed in clauses (4), (5), (8), and (12), $50;

(11) for a watercraft 40 feet in length or longer, other than a watercraft listed in clauses (4), (5), (8), and (12), $62; and

(12) for a watercraft used primarily for charter fishing, commercial fishing, commercial passenger carrying, or other commercial operation, $50.

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

Sec. 10. Minnesota Statutes 2024, section 97A.223, subdivision 1, is amended to read:

Subdivision 1. **Property subject to seizure and forfeiture.** (a) An enforcement officer must seize:

(1) firearms possessed in violation of state or federal law or court order; ~~and~~

(2) property described in section 97A.221, subdivision 1, where no owner can be determined~~.~~; and

(3) a watercraft that is abandoned according to section 86B.109, subdivision 3.

(b) Property seized under this section is subject to administrative forfeiture.

Sec. 11. Minnesota Statutes 2024, section 97A.421, is amended by adding a subdivision to read:

Subd. 3c. **Restrictions after conviction; abandoned watercraft.** (a) After a conviction under section 86B.109, subdivision 2, the following license and registration restrictions remain in effect until the person reimburses the Department of Natural Resources for all the department's costs under section 86B.109, subdivision 2:

(1) all the person's annual game and fish licenses are void;

(2) the person may not act under any lifetime game and fish license;

(3) all the person's watercraft licenses and registrations that are required to operate watercraft in the state are void;

(4) all the person's off-highway vehicle and snowmobile licenses and registrations that are required to operate those vehicles in the state are void; and

(5) the person may not obtain any of the licenses or registrations described in clauses (1) to (4).

(b) If a conviction under section 86B.109, subdivision 2, was for abandoning a watercraft in a boundary water of the state, the commissioner must coordinate with neighboring jurisdictions to ensure that, to the maximum extent practicable, the person is subject to similar consequences in the neighboring jurisdiction as those imposed under paragraph (a).

Sec. 12. Minnesota Statutes 2024, section 97A.465, is amended by adding a subdivision to read:

Subd. 9. **Resident disabled veterans; reduced fee licenses.** A person authorized to issue licenses must issue the following licenses for the reduced fee specified under section 97A.475 to a resident who is a veteran, as defined in section 197.447, and who has a 50 to 99 percent service-connected disability as defined by the United States Department of Veterans Affairs upon being furnished satisfactory evidence:

(1) a license to take deer by firearms, archery, or muzzleloader;

(2) a license to take small game; and

(3) a license to take fish by angling.

Sec. 13. Minnesota Statutes 2024, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents only, are:

(1) for persons age 18 or over and under age 65 to take small game, $15.50;

(2) for persons age 65 or over, $7 to take small game;

(3) for persons age 18 or over to take turkey, $26;

(4) for persons age 13 or over and under age 18 to take turkey, $5;

(5) for persons age 18 or over to take deer with firearms during the regular firearms season, $34;

(6) for persons age 18 or over to take deer by archery, $34;

(7) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, $34;

(8) to take moose, for a party of not more than six persons, $356;

(9) for persons age 18 or over to take bear, $44;

(10) to take elk, for a party of not more than two persons, $287;

(11) to take light geese during the light goose conservation order, $2.50;

(12) to take sandhill crane during the sandhill crane season, $3;

(13) to take prairie chickens, $23;

(14) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season, $5;

(15) for persons age 13 or over and under age 18 to take deer by archery, $5;

(16) for persons age 13 or over and under age 18 to take deer by muzzleloader during the muzzleloader season, $5;

(17) for persons age 10, 11, or 12 to take bear, no fee;

(18) for persons age 13 or over and under age 18 to take bear, $5;

(19) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, $19, of which an amount equal to one-half of the fee for the migratory-waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small-game surcharge under subdivision 4, shall be deposited in the wildlife acquisition account;

(20) for persons age 16 or over and under age 18 to take small game, $5;

(21) to take wolf, $30;

(22) for persons age 12 and under to take turkey, no fee;

(23) for persons age 10, 11, or 12 to take deer by firearm, no fee;

(24) for persons age 10, 11, or 12 to take deer by archery, no fee; ~~and~~

(25) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee~~.~~; and

(26) for disabled veterans to take deer or small game under section 97A.465, subdivision 9, $5.

Sec. 14. Minnesota Statutes 2024, section 97A.475, subdivision 6, is amended to read:

Subd. 6. **Resident fishing.** Fees for the following licenses, to be issued to residents only, are:

(1) for persons age 18 or over to take fish by angling, $25;

(2) for persons age 18 or over to take fish by angling, for a combined license for a married couple, $40;

(3) for persons age 18 or over to take fish by spearing from a dark house, $6, and the person must possess an angling license;

(4) for persons age 18 or over to take fish by angling for a 24-hour period selected by the licensee, $12;

(5) for persons age 18 or over to take fish by angling for a consecutive 72-hour period selected by the licensee, $14;

(6) for persons age 18 or over to take fish by angling for three consecutive years, $71; ~~and~~

(7) for persons age 16 or over and under age 18 to take fish by angling, $5~~.~~; and

(8) for disabled veterans to take fish by angling under section 97A.465, subdivision 9, $5.

Sec. 15. Minnesota Statutes 2024, section 97B.001, subdivision 4, is amended to read:

Subd. 4. **Entering posted land prohibited; signs.** (a) Except as provided in subdivision 6, a person may not:

(1) enter, for outdoor recreation purposes, any land that is posted under this subdivision without first obtaining permission of the owner, occupant, or lessee; or

(2) knowingly enter, for outdoor recreation purposes, any land that is posted under this subdivision without first obtaining permission of the owner, occupant, or lessee. A person who violates this clause is subject to the penalty provided in section 97A.315, subdivision 1, paragraph (b).

(b) The owner, occupant, or lessee of private land, or an authorized manager of public land may prohibit outdoor recreation on the land by posting signs once each year that:

(1) state "no trespassing" or similar terms;

(2) display letters at least two inches high;

(3) either:

(i) are signed by the owner, occupant, lessee, or authorized manager; or

(ii) include the legible name and telephone number of the owner, occupant, lessee, or authorized manager; and

(4) either:

(i) are at intervals of 1,000 feet or less along the boundary of the area, or in a wooded area where boundary lines are not clear, at intervals of 500 feet or less; or

(ii) mark the primary corners of each parcel of land and access roads and trails at the point of entrance to each parcel of land except that corners only accessible through agricultural land need not be posted.

(c) A person may not ~~erect a sign that prohibits outdoor recreation or trespassing~~ act under paragraph (b) or (d) where the person does not have a property right, title, or interest to use the land.

(d) As an alternative to posting signage under paragraph (b), the owner, occupant, or lessee of private land or an authorized manager of public land may prohibit outdoor recreation on the land by:

(1) applying purple paint to trees along the perimeter of the area to which the person wants to prohibit entrance. Paint applied under this paragraph must be applied:

(i) at least three feet off the ground;

(ii) to trees that are at least one inch wide; and

(iii) in a strip that is at least eight inches tall; and

(2) posting signs once each year that mark the primary corners of the area to which the person wants to prohibit entrance.

Sec. 16. Minnesota Statutes 2024, section 97B.037, is amended to read:

97B.037 CROSSBOW HUNTING AND FISHING.

(a) Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, turkey, common carp, or native rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, common carp, or native rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, turkey, common carp, or native rough fish by crossbow under this section must have a valid license to take the respective game.

(b) This section expires June 30, ~~2025~~ 2026.

Sec. 17. Minnesota Statutes 2024, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** (a) During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area ~~is that portion of the state lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning~~ consists of the counties that have passed a resolution as provided under paragraph (b).

(b) A county board may adopt an ordinance after notice and public hearing to limit the type of firearms that may be used to hunt deer within the county. To be included in the shotgun use area beginning January 1, the county board must submit the resolution to the commissioner of natural resources on or before October 1 of the prior year.

Sec. 18. Minnesota Statutes 2024, section 97B.405, is amended to read:

97B.405 COMMISSIONER MAY LIMIT NUMBER OF BEAR HUNTERS.

(a) The commissioner may limit the number of persons that may hunt bear in an area, if it is necessary to prevent an overharvest or improve the distribution of hunters. The commissioner may establish, by rule, a method, including a drawing, to impartially select the hunters for an area. The commissioner shall give preference to hunters that have previously applied and have not been selected. Additionally, the commissioner may award points toward a preference under this section to a person who is at least six years of age, so that by the time the person is old enough to be a bear hunter the person has accumulated a number of preference points.

(b) If the commissioner limits the number of persons that may hunt bear in an area under paragraph (a), the commissioner must reserve one permit and give first preference for that permit to a resident of a Minnesota veterans home.

(c) A person selected through a drawing must purchase a license by August 1. Any remaining available licenses not purchased shall be issued to any eligible person as prescribed by the commissioner on a first-come, first-served basis beginning three business days after August 1.

Sec. 19. Minnesota Statutes 2024, section 97B.667, subdivision 3, is amended to read:

Subd. 3. **Permits and notice; requirements.** (a) Before killing or arranging to kill a beaver under this section, the road authority or government unit must contact a conservation officer for a special beaver permit if the beaver will be killed within two weeks before or after the trapping season for beaver, and the conservation officer must issue the permit for any beaver subject to this section. A permit is not required:

(1) for a licensed trapper during the open trapping season for beaver; or

(2) when the trapping season for beaver is closed and it is not within two weeks before or after the trapping season for beaver.

(b) A road authority or government unit that kills or arranges to have killed a beaver under this section must notify a conservation officer or employee of the Fish and Wildlife Division within ten days after the animal is killed.

(c) Unless otherwise directed by a conservation officer, the road authority, local government unit, the landowner, or their agent may dispose of or retain beaver killed under this section. ~~Human consumption of a retained beaver is prohibited.~~

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

Sec. 20. **[97B.902] OPENING HOUR FOR TRAPPING SEASONS.**

A season for taking fur-bearing animals by trapping begins at sunrise on the opening day prescribed by rule adopted by the commissioner.

Sec. 21. Minnesota Statutes 2024, section 97B.945, is amended to read:

97B.945 SETTING TRAPS NEAR WATER RESTRICTED.

(a) Except as provided in paragraph (b), a person may not set a trap within 50 feet of any water other than temporary surface water within 30 days before the open season for mink and muskrat without a special permit by the commissioner.

(b) A person may set a foot-encapsulating trap within 50 feet of any water other than temporary surface water within 30 days before the open season for mink and muskrat without a special permit by the commissioner. For purposes of this paragraph, "foot-encapsulating trap" means a trap for which:

(1) the triggering and restraining mechanisms are enclosed within a housing and are only accessible through a single opening when set; and

(2) the opening does not exceed two inches in diameter.

Sec. 22. Minnesota Statutes 2024, section 97C.395, is amended to read:

97C.395 OPEN SEASONS FOR ANGLING.

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, and muskellunge, ~~largemouth bass, and smallmouth bass,~~ the Saturday two weeks prior to the Saturday of Memorial Day weekend through the last Sunday in February;

(2) for brown trout, brook trout, lake trout, rainbow trout, and splake, between January 1 through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(3) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Subd. 2. **Continuous season for certain species.** For largemouth bass, smallmouth bass, sunfish, white crappie, black crappie, yellow perch, channel catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), lake whitefish, common carp, and native rough fish, the open season is continuous.

Sec. 23. Minnesota Statutes 2024, section 97C.835, subdivision 2, is amended to read:

Subd. 2. **Types of fish permitted.** Lake trout, ciscoes, chubs, alewives, lake whitefish, round whitefish, pygmy whitefish, rainbow smelt, common carp, burbot, and native rough fish may be taken by licensed commercial fishing operators from Lake Superior, in accordance with this section.

Sec. 24. Minnesota Statutes 2024, section 103G.005, subdivision 15, is amended to read:

Subd. 15. **Public waters.** (a) "Public waters" means:

(1) water basins assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) waters of the state that have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) meandered lakes, excluding lakes that have been legally drained;

(4) water basins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) water basins designated as scientific and natural areas under section 84.033;

(6) water basins located within and totally surrounded by publicly owned lands;

(7) water basins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) water basins where there is a publicly owned and controlled access that is intended to provide for public access to the water basin;

(9) natural and altered watercourses with a total drainage area greater than two square miles;

(10) natural and altered watercourses designated by the commissioner as trout streams; and

(11) public waters wetlands, unless the statute expressly states otherwise.

(b) Public waters are not determined exclusively by:

(1) the proprietorship of the underlying, overlying, or surrounding land; or

(2) whether it is a body or stream of water that was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union~~; or~~.

~~(3) their inclusion in or exclusion from the public waters inventory required under section 103G.201. This clause is effective July 1, 2027.~~

Sec. 25. Minnesota Statutes 2024, section 103G.201, is amended to read:

103G.201 PUBLIC WATERS INVENTORY.

(a) The commissioner shall maintain a public waters inventory map of each county that shows the waters of this state that are designated as public waters under the public waters inventory and classification procedures prescribed under Laws 1979, chapter 199, and shall provide access to a copy of the maps. As county public waters inventory maps are revised according to this section, the commissioner shall send a notification or a copy of the maps to the auditor of each affected county.

(b) The commissioner ~~must~~ may revise the map of public waters established under Laws 1979, chapter 199, to reclassify those types 3, 4, and 5 wetlands previously identified as public waters wetlands under Laws 1979, chapter 199, as public waters or as wetlands under section 103G.005, subdivision 19. The commissioner may only reclassify public waters wetlands as public waters if:

(1) they are assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) they are classified as lacustrine wetlands or deepwater habitats according to Classification of Wetlands and Deepwater Habitats of the United States (Cowardin, et al., 1979 edition); or

(3) the state or federal government has become titleholder to any of the beds or shores of the public waters wetlands, subsequent to the preparation of the public waters inventory map filed with the auditor of the county, pursuant to paragraph (a), and the responsible state or federal agency declares that the water is necessary for the purposes of the public ownership.

(c) The commissioner must provide notice of the reclassification to the local government unit, the county board, the watershed district, if one exists for the area, and the soil and water conservation district. Within 60 days of receiving notice from the commissioner, a party required to receive the notice may provide a resolution stating objections to the reclassification. If the commissioner receives an objection from a party required to receive the notice, the reclassification is not effective. If the commissioner does not receive an objection from a party required to receive the notice, the reclassification of a wetland under paragraph (b) is effective 60 days after the notice is received by all of the parties.

(d) The commissioner shall give priority to the reclassification of public waters wetlands that are or have the potential to be affected by public works projects.

(e) The commissioner ~~may~~ must revise the public waters inventory map of each county:

(1) to reflect the changes authorized in paragraph (b); and

(2) as needed, to:

(i) correct errors in the original inventory;

(ii) add or subtract trout stream tributaries within sections that contain a designated trout stream following written notice to the landowner;

(iii) add depleted quarries, and sand and gravel pits, when the body of water exceeds 50 acres and the shoreland has been zoned for residential development; and

(iv) add or subtract public waters that have been created or eliminated as a requirement of a permit authorized by the commissioner under section 103G.245.

(f) $1,000,000 is appropriated from the general fund each year in fiscal years 2025 through 2032 to the commissioner to update the public water inventory as required in this section. The commissioner must develop and implement a process to update the public water inventory. This paragraph expires June 30, 2032.

Sec. 26. Minnesota Statutes 2024, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water-use permit; processing fee.** (a) Except as described in paragraphs (b) to (g), a water-use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water-use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

(1) ~~$140~~ $200 for amounts not exceeding 50,000,000 gallons per year;

(2) ~~$3.50~~ $6 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) ~~$4~~ $7 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;

(4) ~~$4.50~~ $8 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) ~~$5~~ $9 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) ~~$5.50~~ $10 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) ~~$6~~ $11 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) ~~$6.50~~ $12 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;

(9) ~~$7~~ $13 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;

(10) ~~$7.50~~ $14 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and

(11) ~~$8~~ $15 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water-use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water-use permit in force at any time during the year:

(1) for nonprofit corporations and school districts, $200 per 1,000,000 gallons; and

(2) for all other users, $420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and~~, except as provided in paragraph (f),~~ the minimum fee is $100.

(d) For water-use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed ~~$250,000~~ $325,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) ~~$60,000~~ $75,000 per year for an entity holding three or fewer permits;

(ii) ~~$90,000~~ $125,000 per year for an entity holding four or five permits; or

(iii) ~~$300,000~~ $400,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed ~~$750~~ $1,500 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed $10,000 for its permit for water use related to the cogeneration of electricity and steam;

(5) the fee for a facility that temporarily diverts a water of the state from its natural channel to produce hydroelectric or hydromechanical power may not exceed $5,000 per year. A permit for such a facility does not count toward the number of permits held by an entity as described in this paragraph; and

(6) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove floodwaters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of ten percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water-use processing fee for a permit issued for irrigation of agricultural land is ~~$20~~ $100 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) The commissioner shall waive the water-use permit fee for installations and projects that use stormwater runoff or where public entities are diverting water to treat a water quality issue and returning the water to its source without using the water for any other purpose, unless the commissioner determines that the proposed use adversely affects surface water or groundwater.

(h) A surcharge of $50 per million gallons in addition to the fee prescribed in paragraph (a) ~~shall be~~ is applied to the volume of water used in each of the months of May, June, July, August, and September that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit ~~shall be~~ is determined based on the total appropriations from all permits that supply a common distribution system.

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

Sec. 27. Minnesota Statutes 2024, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is ~~$150~~ $600. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least $1,200, but not more than $12,000. The fee for a notification to request authorization to conduct a project under a general permit is $400, except that the fee for a notification to request authorization to appropriate water under a general permit is $100.

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

Sec. 28. Minnesota Statutes 2024, section 115.01, is amended by adding a subdivision to read:

Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Sec. 29. **[115.033] OUTDOOR USE OF RAINWATER AND STORMWATER.**

(a) A state agency, political subdivision of the state, joint powers organization, or special purpose unit of government with authority to establish water-quality standards may allow using untreated rainwater or stormwater for outdoor purposes when the probability of consumption or immersion by humans or animals is low or nonexistent.

(b) For purposes of this section, "using untreated rainwater or stormwater for outdoor purposes" does not include using the water:

(1) as a source of drinking water;

(2) for swimming or immersion; or

(3) for agricultural activities that produce food crops for humans or livestock.

Sec. 30. Minnesota Statutes 2024, section 115B.421, is amended to read:

115B.421 CLOSED LANDFILL INVESTMENT FUND.

Subdivision 1. **Establishment.** ~~(a)~~ The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund and interest and other earnings on money in the fund. Funds must be deposited as described in section 115B.445. The fund must be managed to maximize long-term gain through the State Board of Investment.

~~(b) Each fiscal year, up to $4,500,000 is appropriated from the closed landfill investment fund to the commissioner for the purposes of sections 115B.39 to 115B.444.~~

~~(c) If the commissioner determines that a release or threatened release from a qualified facility for which the commissioner has assumed obligations for environmental response actions under section 115B.40 or 115B.406 constitutes an emergency requiring immediate action to prevent, minimize, or mitigate damage either to the public health or welfare or the environment or to a system designed to protect the public health or welfare or the environment, up to $9,000,000 in addition to the amount appropriated under paragraph (b) is appropriated to the commissioner in the first year of the biennium and may be spent by the commissioner to take reasonable and necessary emergency response actions. Money not spent in the first year of the biennium may be spent in the second year. If money is appropriated under this paragraph, the commissioner must notify the chairs of the senate and house of representatives committees having jurisdiction over environment policy and finance as soon as possible. The commissioner must maintain the fund balance to ensure long-term viability of the fund and reflect the responsibility of the landfill cleanup program in perpetuity.~~

~~(d) Paragraphs (b) and (c) expire June 30, 2025.~~

Subd. 2. **Local notification.** If money in the closed landfill investment fund is spent or transferred for purposes other than the purposes provided under sections 115B.39 to 115B.444, the commissioner of the Pollution Control Agency must provide written notification to each county with a qualified facility within 30 days of the transfer or expenditure that includes the amount, purpose, and authority used to spend or transfer the money.

Sec. 31. Minnesota Statutes 2024, section 116.07, is amended by adding a subdivision to read:

Subd. 13. **Outreach to culturally diverse communities.** The commissioner must ensure that, to the maximum extent practicable, the commissioner's work and the work of the agency are carried out in a manner that facilitates outreach to and communication with Minnesotans of diverse backgrounds, cultures, and languages. To the maximum extent practicable, public hearings, solicitations for grant proposals, and other interactions with the public must include audiovisual communication components and must not rely exclusively on written forms of communication.

Sec. 32. Minnesota Statutes 2024, section 116.073, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue.** (a) Pollution Control Agency staff designated by the commissioner and Department of Natural Resources conservation officers may issue citations to a person who:

(1) disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property;

(2) fails to report or recover discharges as required under section 115.061;

(3) fails to take discharge preventive or preparedness measures required under chapter 115E;

(4) fails to install or use vapor recovery equipment during the transfer of gasoline from a transport delivery vehicle to an underground storage tank as required in section 116.49, subdivisions 3 and 4;

(5) performs labor or services designing, installing, constructing, inspecting, servicing, repairing, or operating a subsurface sewage treatment system (SSTS) as defined in chapter 115 and has violated rules adopted under chapters 115 and 116 in any of the following categories:

(i) failure to acquire or maintain a current state-issued SSTS license;

(ii) failure to acquire or maintain a current surety bond for SSTS activities;

(iii) failure to acquire or maintain a required local permit for SSTS activities; or

(iv) failure to submit SSTS as-built plans or compliance inspection forms to the local governmental unit; ~~or~~

(6) performs labor or services pumping, hauling, treating, spreading, dumping, discharging, or land applying septage as defined in Minnesota Rules, part 7080.1100, subpart 69, and has violated rules adopted under chapters 115 and 116 or Code of Federal Regulations, title 40, section 503, in any of the following categories:

(i) failure to acquire or maintain a current state-issued SSTS license;

(ii) failure to acquire or maintain a current surety bond for SSTS activities;

(iii) failure to provide control measures to prevent the pollution of underground waters from the discharge of septage into the saturated or unsaturated zone;

(iv) failure to produce records or maintain records in accordance with Code of Federal Regulations, title 40, section 503; or

(v) failure to treat septage for pathogens and vectors in accordance with Code of Federal Regulations, title 40, section 503; or

(7) fails to self-certify that they have received the skin-lightener notice and will comply with the law, as required by section 325F.998.

(b) Agency staff designated by the commissioner may issue citations to facility owners and operators who fail to produce, within 30 days or within a reasonable alternative time frame as determined and required by the commissioner, information or reports necessary for developing and reissuing permits and permit amendments under chapters 114C and 115 to 116. If the owner or operator cannot produce the information or reports within 30 days or according to an alternative

time frame required by the commissioner, the owner or operator may request an extension within 30 days of the request for information or reports. The commissioner must keep records of citations issued under this paragraph that identify the facility, the owner or operator, and any person hired by or representing the owner or operator to prepare or assist in preparing the permit application or other information or report requested by the commissioner.

~~(b)~~ (c) In addition, Pollution Control Agency staff designated by the commissioner may issue citations to owners and operators of facilities who violate sections 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151 and parts 7001.4200 to 7001.4300. A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or discharged oil or hazardous substance, reimburse any government agency that has disposed of the waste or discharged oil or hazardous substance and contaminated debris for the reasonable costs of disposal, or correct any storage tank violations.

~~(c)~~ (d) Citations for violations of sections 115E.045 and 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151, may be issued only after the owners and operators have had a 60-day period to correct violations stated in writing by Pollution Control Agency staff, unless there is a discharge associated with the violation or the violation is a repeat violation from a previous inspection.

Sec. 33. Minnesota Statutes 2024, section 116.073, subdivision 2, is amended to read:

Subd. 2. **Penalty amount.** The citation must impose the following penalty amounts:

(1) $100 per major appliance, as defined in section 115A.03, subdivision 17a, up to a maximum of $2,000;

(2) $25 per waste tire, as defined in section 115A.90, subdivision 11, up to a maximum of $2,000;

(3) $25 per lead acid battery governed by section 115A.915, up to a maximum of $2,000;

(4) $1 per pound of other solid waste or $20 per cubic foot up to a maximum of $2,000;

(5) up to $200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped the vehicle, the person or company transporting the waste fails to immediately collect the waste;

(6) $50 per violation of rules adopted under section 116.49, relating to underground storage tank system design, construction, installation, and notification requirements, up to a maximum of $2,000;

(7) $500 per violation of rules adopted under section 116.49, relating to upgrading of existing underground storage tank systems, up to a maximum of $2,000 per tank system;

(8) $250 per violation of rules adopted under section 116.49, relating to underground storage tank system general operating requirements, up to a maximum of $2,000;

(9) $250 per violation of rules adopted under section 116.49, relating to underground storage tank system release detection requirements, up to a maximum of $2,000;

(10) $50 per violation of rules adopted under section 116.49, relating to out-of-service underground storage tank systems and closure, up to a maximum of $2,000;

(11) $50 per violation of sections 116.48 to 116.491 relating to underground storage tank system notification, monitoring, environmental protection, and tank installers training and certification requirements, up to a maximum of $2,000;

(12) $25 per gallon of oil or hazardous substance discharged which is not reported or recovered under section 115.061, up to a maximum of $2,000;

(13) $1 per gallon of oil or hazardous substance being stored, transported, or otherwise handled without the prevention or preparedness measures required under chapter 115E, up to a maximum of $2,000;

(14) $250 per violation of Minnesota Rules, parts 7001.4200 to 7001.4300 or chapter 7151, related to aboveground storage tank systems, up to a maximum of $2,000;

(15) $250 per delivery made in violation of section 116.49, subdivision 3 or 4, levied against:

(i) the retail location if vapor recovery equipment is not installed or maintained properly;

(ii) the carrier if the transport delivery vehicle is not equipped with vapor recovery equipment; or

(iii) the driver for failure to use supplied vapor recovery equipment;

(16) $500 per violation of rules adopted under chapters 115 and 116 relating to failure to comply with state subsurface sewage treatment system (SSTS) license requirements, up to a maximum of $2,000;

(17) $500 per violation of rules adopted under chapters 115 and 116 relating to failure to comply with SSTS surety bond requirements, up to a maximum of $2,000;

(18) $500 per violation of rules adopted under chapters 115 and 116 relating to failure to provide control measures to prevent the pollution of underground waters from the discharge of septage into the saturated or unsaturated zone, up to a maximum of $2,000;

(19) $500 per violation of rules adopted under chapters 115 and 116 or Code of Federal Regulations, title 40, section 503, relating to failure to treat septage for pathogens and vectors, up to a maximum of $2,000;

(20) $250 per violation of rules adopted under chapters 115 and 116 or Code of Federal Regulations, title 40, section 503, relating to failure to produce records or maintain records, up to a maximum of $2,000;

(21) $250 per violation of rules adopted under chapters 115 and 116 or Code of Federal Regulations, title 40, section 503, relating to failure to submit as-built plans or compliance inspection forms to the local governmental unit, up to a maximum of $2,000; ~~and~~

(22) $500 per violation of rules adopted under chapters 115 and 116 relating to failure to obtain required local permits, up to a maximum of $2,000;

(23) $100 per violation of section 325F.998, relating to certification that businesses will comply with skin-lightener requirements; and

(24) $50 per day under subdivision 1, paragraph (b), for each information item or report requested for the first 30 days delinquent and $500 per day thereafter, up to a maximum of $20,000 for each information item or report requested, until the commissioner determines the request for information or report is complete.

Sec. 34. Minnesota Statutes 2024, section 116.182, subdivision 5, is amended to read:

Subd. 5. **Rules.** (a) The agency shall adopt rules for the administration of the financial assistance program. For wastewater treatment projects, the rules must include:

(1) application requirements;

(2) criteria for the ranking of projects in order of priority based on factors including the type of project and the degree of environmental impact, and scenic and wild river standards; and

(3) criteria for determining essential project components.

(b) Notwithstanding any provision in Minnesota Rules, chapter 7077, to the contrary, for purposes of Minnesota Rules, parts 7077.0117, 7077.0118, and 7077.0119, the commissioner must assign 40 points if a municipality is proposing a project to address emerging contaminants, as defined by the United States Environmental Protection Agency. This paragraph expires June 30, 2030.

Sec. 35. Minnesota Statutes 2024, section 116.943, subdivision 1, is amended to read:

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress;~~ and~~

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress; and

(3) not including:

(i) an off-highway vehicle made for children;

(ii) an all-terrain vehicle made for children;

(iii) an off-highway motorcycle made for children;

(iv) a snowmobile made for children;

(v) an electric-assisted bicycle made for children; or

(vi) a replacement part for a vehicle described in items (i) through (v).

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

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

Sec. 36. Minnesota Statutes 2024, section 116.943, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

(6) fabric treatments;

(7) juvenile products;

(8) menstruation products;

(9) textile furnishings;

(10) ski wax; or

(11) upholstered furniture.

(b) Paragraph (a) does not prohibit the sale, offering for sale, or distribution of a product that contains intentionally added PFAS only in internal components that do not come into direct contact with a person's skin or mouth during reasonably foreseeable use or abuse of the product.

~~(b)~~ (c) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

~~(c)~~ (d) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

~~(d)~~ (e) The commissioner may not take action under paragraph ~~(b)~~ (c) or ~~(c)~~ (d) with respect to a pesticide, as defined under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment as defined under chapter 18C, unless the commissioner of agriculture approves the action.

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

Sec. 37. Minnesota Statutes 2024, section 325E.3892, subdivision 1, is amended to read:

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

(b) "Covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies, except ink pens and mechanical pencils;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, children's paints, and other art supplies except professional artist materials, including but not limited to oil-based paints, water-based paints, paints, pastels, pigments, ceramic glazes, and markers;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) ~~keys,~~ key chains~~,~~ and key rings; and

(15) clothing, footwear, headwear, and accessories.

(c) "Pastels" means a crayon composed of powdered pigments bonded with gum or resin.

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

Sec. 38. Minnesota Statutes 2024, section 325E.3892, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to:

(1) covered products containing lead or cadmium, or both, when regulation is preempted by federal law; or

(2) covered products that contain lead only in solder used in internal components or in pen tips so long as:

(i) the product is not imported, manufactured, sold, held for sale, distributed, or offered for use in this state after July 1, 2028; and

(ii) the manufacturer of the product submits biennial reports to the commissioner of the Pollution Control Agency that explain the barriers to removing lead from the product, progress toward adoption of lead-free alternatives, and a timeline for full adoption of those alternatives.

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

Sec. 39. Minnesota Statutes 2024, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** (a) No person, political subdivision, or state agency shall manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

(e) Until January 1, 2028, this subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for use in hangar fixed firefighting systems at an airport, as defined under section 360.013, subdivision 39. The commissioner of the Pollution Control Agency, in consultation with the state fire marshal, may provide the operator of an airport using class B firefighting foam containing PFAS chemicals one year extensions beyond this date upon a showing

that the need for additional time is beyond the operator's control and that public safety and the environment will be protected during the period of the extension.

Sec. 40. **[325F.998] SKIN-LIGHTENER NOTICE REQUIRED.**

Subdivision 1. **Notice required.** After August 1, 2026, and annually thereafter, the commissioner of the Pollution Control Agency must send a notice to retailers who sell skin-lightening products that states that selling skin-lightening products that contain mercury is illegal and subject to penalties. Additionally, the commissioner must engage in outreach to retailers who sell skin-lightening products in order to convey the dangers of using skin-lightening products that contain mercury.

Subd. 2. **Certification.** Businesses who receive notice from the commissioner must self-certify on a form prescribed by the commissioner that they have received the notice and will comply with the law.

Sec. 41. Minnesota Statutes 2024, section 446A.07, subdivision 8, is amended to read:

Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, 103F.725, subdivision 1a, and 116J.617;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act~~;~~.

(b) The clean water revolving fund may be used to provide additional subsidization as permitted under the federal Water Pollution Control Act and other federal law to provide principal forgiveness or grants:

~~(7) to provide principal forgiveness or grants to the extent permitted under the Federal Water Pollution Control Act and other federal law,~~ (1) based on ~~the~~ affordability criteria and requirements established for the ~~wastewater~~ water infrastructure funding program under section 446A.072; ~~and~~

~~(8) to provide loans, principal forgiveness, or grants to the extent permitted under the Federal Water Pollution Control Act and other federal law~~ (2) for 25 percent of project costs up to a maximum

of $1,000,000 for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.; and

(3) for 50 percent of project costs up to a maximum of $3,000,000 for projects that address emerging contaminants as defined by the United States Environmental Protection Agency.

~~(b) Amounts spent under paragraph (a), clause (6), may not exceed the amount allowed under the Federal Water Pollution Control Act.~~

~~(c) Principal forgiveness or grants provided under paragraph (a), clause (8), may not exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of $1,000,000.~~

Sec. 42. Minnesota Statutes 2024, section 473.355, subdivision 2, is amended to read:

Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and implementing agencies for the following purposes:

(1) removing and planting shade trees on public land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; and

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

Sec. 43. Minnesota Statutes 2024, section 473.859, subdivision 2, is amended to read:

Subd. 2. **Land use plan.** (a) A land use plan must include the water management plan required by section 103B.235, and shall designate the existing and proposed location, intensity and extent of use of land and water, including lakes, wetlands, rivers, streams, natural drainage courses, and adjoining land areas that affect water natural resources, for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes.

(b) A land use plan must contain a protection element, as appropriate, for historic sites, the matters listed in the water management plan required by section 103B.235, and an element for protection and development of access to direct sunlight for solar energy systems.

(c) A land use plan must also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

(d) A land use plan must also include an assessment of the impact of all land use designations and easements on access to aggregate resources and the local government's goals, intentions, and priorities concerning aggregate and other natural resources, transportation infrastructure, land use

compatibility, habitat, agricultural preservation, and other planning priorities, considering information regarding supply from the Minnesota Geological Survey Information Circular No. 46.

(e) A land use plan must also include an inventory and projections pertaining to greenhouse gas emissions and vehicle miles traveled that are generated from activity that occurs within the local government's jurisdiction. The inventory and projections must include the emission sources from transportation, land use, energy use, solid waste, and, where available and applicable, livestock and agriculture. The inventory and projections must include the estimated impact of strategies, including efficient land use and compact growth, that reduce or naturally sequester greenhouse gas emissions across sectors.

Sec. 44. Laws 2023, chapter 60, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Environmental Analysis and Outcomes**	79,311,000	72,785,000

Appropriations by Fund

	2024	2025
General	60,103,000	53,047,000
Environmental	18,959,000	19,533,000
Remediation	249,000	205,000

(a) $122,000 the first year and $125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for urban, suburban, and Greater Minnesota municipalities to achieve permit requirements.

(b) $216,000 the first year and $219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) $132,000 the first year and $137,000 the second year are for monitoring water quality and operating assistance programs.

(d) $390,000 the first year and $399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) $106,000 the first year and $109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, $68,000 the first year and $70,000 the second year are transferred to the commissioner of health.

(f) $128,000 the first year and $132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) $1,492,000 the first year and $1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to $1,226,000 the first year and $1,248,000 the second year are for transfer to the commissioner of health.

(h) $61,000 the first year and $62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) $72,000 the first year and $74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) $500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) $50,266,000 the first year and $50,270,000 the second year are to establish and implement a local government climate resiliency and water infrastructure grant program for local governmental units and Tribal governments. Of this amount, $49,100,000 each year is for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate. At least 40 percent of the money granted under this paragraph must be for projects in areas that meet environmental justice criteria. By December 30, 2027, the commissioner must submit a report on the use of grant money to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources finance. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and beyond is $270,000.

(l) $75,000 the first year is for a grant to the city of Fergus Falls to address water-quality concerns at Lake Alice.

(m) $150,000 the first year is for a grant to Rice County to address water-quality concerns at French Lake.

(n) $75,000 the first year is for a grant to Ramsey County to address water-quality concerns at Round Lake.

(o) Recipients of money appropriated in paragraphs (l), (m), and (n) may use the grants to contract for water-quality improvement services, testing, necessary infrastructure, training, and maintenance.

(p) $2,070,000 the first year and $2,070,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including Minnesota's PFAS Blueprint.

(q) $1,820,000 the first year and $1,820,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(r) $500,000 the first year is from the general fund for the report on firefighter turnout gear and biomonitoring required under this act. Of this amount, up to ~~$250,000~~ $425,000 may be transferred to the commissioner of health for biomonitoring of firefighters. This appropriation is available until June 30, 2027.

(s) $500,000 the first year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed. This is a onetime appropriation and is available until June 30, 2025.

(t) $50,000 the first year is from the remediation fund for the work group on

PFAS manufacturer fees and report required under this act.

(u) $387,000 the first year and $90,000 the second year are to develop and implement the requirements for fish kills under Minnesota Statutes, sections 103G.216 and 103G.2165. Of this amount, up to $331,000 the first year and $90,000 the second year may be transferred to the commissioners of health, natural resources, agriculture, and public safety and to the Board of Regents of the University of Minnesota as necessary to implement those sections. The base for this appropriation for fiscal year 2026 and beyond is $7,000.

(v) $63,000 the first year and $92,000 the second year are for transfer to the commissioner of health for amending the health risk limit for PFOS. This is a onetime appropriation and is available until June 30, 2026.

(w) $5,000,000 the first year is for community air-monitoring grants as provided in this act. This is a onetime appropriation and is available until June 30, 2027.

(x) $2,333,000 the first year and $2,333,000 the second year are to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation is $0 in fiscal year 2026 and $1,400,000 from the environmental fund in fiscal year 2027 and beyond.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 45. Laws 2023, chapter 60, article 1, section 2, subdivision 7, is amended to read:

Subd. 7. **Resource Management and Assistance** 82,000,000 57,974,000

Appropriations by Fund	2024	2025
General	38,464,000	13,850,000
Environmental	43,536,000	44,124,000

(a) Up to $150,000 the first year and $150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) $1,000,000 the first year and $1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, $300,000 the first year and $300,000 the second year are from the general fund, and $700,000 the first year and $700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) $694,000 the first year and $694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, $100,000 the first year and $100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) $18,450,000 the first year and $18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) $119,000 the first year and $119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) $400,000 the first year and $400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2027.

(g) $767,000 the first year and $770,000 the second year are from the environmental fund

for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, $500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) $2,797,000 the first year and $2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) $318,000 the first year and $324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, $78,000 the first year and $80,000 the second year are transferred to the commissioner of health.

(j) $180,000 the first year and $140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(k) $1,790,000 the first year and $70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, $1,720,000 the first year is for transfer to the environmental fund for zero-interest loans under Minnesota Statutes, section 116.993, to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) $190,000 the first year and $190,000 the second year are to support the Greenstep Cities program. This is a onetime

appropriation. This appropriation is available until June 30, 2026.

(m) $420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation and is available until June 30, 2026.

(n) $650,000 the first year and $650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(o) $4,210,000 the first year and $210,000 the second year are for PFAS reduction grants. Of this amount, $4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. Priority must be given to projects in underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(p) $12,940,000 the first year and $12,940,000 the second year are for a waste prevention and reduction grants and loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount in the first year, $7,950,000 is for waste prevention and reduction grants and loans and $3,000,000 is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by the emerald ash borer. Of this amount in the second year, $10,950,000 is for waste prevention and reduction grants and loans, including $1,000,000 for transfer to the environmental fund for the purposes of Minnesota Statutes, section 115A.0716. By October 1, 2024, the commissioner of the Pollution Control Agency must report to the

chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the use of money appropriated for the wood dehydrator under this paragraph.

(q) $16,562,000 the first year is for grants to a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system to preserve existing biomass energy infrastructure for purposes of local and regional emerald ash borer response efforts. The commissioner of the Pollution Control Agency may require the nonprofit corporation to charge a fee per ton of wood waste delivered to the facility. This is a onetime appropriation and is available until June 30, 2030.

(r) $1,163,000 the first year and $1,115,000 the second year are from the environmental fund for rulemaking and implementation of the new PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, $312,000 the first year and $468,000 the second year are for transfer to the commissioner of health.

(s) $680,000 the first year is for the resource management report required in this act. This is a onetime appropriation and is available until June 30, 2026.

(t) $35,000 the second year is from the environmental fund for the compostable labeling requirements under Minnesota Statutes, section 325E.046. The base for this appropriation in fiscal year 2026 and beyond is $68,000 from the environmental fund.

(u) $175,000 the first year is for the rulemaking required under this act providing for the safe and lawful disposal of waste treated seed. This appropriation is available until June 30, 2025.

(v) $1,000,000 the first year is for a lead tackle reduction program that provides outreach, education, and opportunities to safely dispose of and exchange lead tackle throughout the state. This is a onetime appropriation and is available until June 30, 2027.

(w) $17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(x) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 46. Laws 2023, chapter 60, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. **Fish and Wildlife Management** 111,125,000 96,963,000

Appropriations by Fund

	2024	2025
General	23,643,000	9,888,000
Natural Resources	2,082,000	2,082,000
Game and Fish	85,400,000	84,993,000

(a) $11,158,000 the first year and $11,158,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for

expanding hunter and angler recruitment and retention.

(b) $982,000 the first year and $982,000 the second year are from the general fund and $1,675,000 the first year and $1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The general fund base for this appropriation in fiscal year 2026 and beyond is $282,000.

(c) $5,150,000 the first year and $3,250,000 the second year are for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program and for statewide response and management of chronic wasting disease. This appropriation is available until June 30, 2029.

(d) $8,546,000 the first year and $8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) $268,000 the first year and $268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(f) $10,000,000 the first year is for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(g) $500,000 the first year and $500,000 the second year are from the general fund and $500,000 the first year and $500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. Priority must be given to projects benefiting underserved communities. The base for this appropriation in fiscal year 2026 and beyond is $500,000 from the heritage enhancement account in the game and fish fund. The general fund appropriation is onetime.

(h) $2,300,000 the first year is for a grant to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk comanagement plans. Of this amount, $300,000 is for the department for the purposes of this paragraph. This is a onetime appropriation and is available until June 30, 2026.

(i) $767,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(j) $134,000 the first year and $134,000 the second year are from the heritage enhancement account in the game and fish fund for native fish conservation and classification.

(k) $82,000 the first year is for the native fish reports required under this act. This is a onetime appropriation.

(l) $65,000 the first year is for preparing the report on feral pigs and mink required under this act and holding at least one public meeting on the topic.

(m) Up to $5,750,000 the first year and up to $2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(n) Notwithstanding Minnesota Statutes, section 297A.94, $300,000 the first year and $300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, ~~2026~~ 2028. ~~This appropriation must be allocated as follows:~~

~~(1) $200,000 each fiscal year is for grants of $25,000 or less; and~~

~~(2) $100,000 each fiscal year is for grants in excess of $25,000.~~

(o) $75,000 the first year is from the heritage enhancement account in the game and fish fund for enhanced fish stocking of white bass and crappies in lakes in the metropolitan area

that have pier and shore fishing opportunities where communities are currently underserved.

(p) $1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(q) $900,000 the first year is to create new or expand existing outreach and education programs for non-native English-speaking communities. Of this amount, $250,000 is for the commissioner of the Pollution Control Agency and $250,000 is for the Board of Water and Soil Resources for this purpose. Up to $400,000 may be used to expand the Fishing in the Neighborhood program for outreach to new and underserved audiences. This appropriation may be used for community outreach consultants for reaching new audiences. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 47. **MINNESOTA SUSTAINABLE FORAGING TASK FORCE.**

Subdivision 1. **Membership.** (a) The task force shall consist of the following members:

(1) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;

(2) two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives;

(3) two members appointed by the Minnesota Mycological Society, of which one member must be an owner of a small business;

(4) two members appointed by the Minnesota Foraging Alliance, of which one member must be from an underrepresented cultural group;

(5) two scientists with expertise in botany, ecology, and environmental science appointed by the Board of Regents of the University of Minnesota;

(6) three representatives of the Department of Natural Resources involved with managing state parks, forestry, fish and wildlife, and public lands appointed by the commissioner of natural resources;

(7) one member of the Minnesota Ojibwe Tribe appointed by the Minnesota Indian Affairs Council;

(8) one member of the Minnesota Dakota Tribe appointed by the Minnesota Indian Affairs Council; and

(9) two representatives with expertise on local ecosystems, species recovery, and sustainable harvesting appointed by the Board of Regents of the University of Minnesota Extension.

(b) A member appointed under paragraph (a) may not be a registered lobbyist.

(c) The appointing authorities must make the appointments by August 1, 2025.

Subd. 2. **Duties.** The task force must:

(1) gather and review data and information, including traditional ecological knowledge, on the impact of foraging on species resilience, ecosystem health, and other aspects of Minnesota's diverse biomes;

(2) review existing regulations governing foraging activities on state lands;

(3) develop recommendations for science-based, including traditional ecological knowledge, foraging guidelines for state lands that balance public access with conservation needs, setting limits on foraging activities only where supported by data. The recommendations must be in the form of draft statutory or rule language and must be consistent with Indigenous and other cultural practices and traditions;

(4) develop recommendations for increasing public understanding of sustainable foraging practices that include safety and ecological considerations;

(5) solicit public input, when appropriate; and

(6) develop recommendations for reduced-priced foraging permits.

Subd. 3. **Administrative support; meetings.** (a) The Legislative Coordinating Commission must provide administrative support and convene the first meeting by September 1, 2025.

(b) The commissioner of natural resources must provide subject matter resources and expertise, including information on the management of, and flora and fauna on, state lands, as requested by the task force.

(c) The task force must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 2. Meetings of the task force are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Chair.** The task force must elect a chair at its first meeting from among the legislative members.

Subd. 5. **Legislative recommendations; expiration.** By February 28, 2026, the task force must submit a written report containing its findings and recommendations to the commissioner of natural resources and to the chairs and ranking minority members of the legislative committees with primary jurisdiction over natural resources policy. The recommendations in the report must be specific and actionable. The report must detail the proposals for changes or additions to statute or rules to effectuate the task force's recommendations. The task force expires March 15, 2026, or upon submission of the report required by this subdivision, whichever occurs later.

Subd. 6. **Compensation; expense reimbursement.** Members of the task force appointed under subdivision 1, paragraph (a), clauses (1) and (2), may receive per diem and reimbursement for expenses as provided in the rules of their respective bodies. Other members of the task force may be compensated and have expenses reimbursed as provided in Minnesota Statutes, section 15.059, subdivision 3.

Sec. 48. **MORATORIUM ON FORAGING RULES.**

The commissioner of natural resources shall not commence or complete any rulemaking on foraging before July 1, 2027.

Sec. 49. **EXTENSION OF CERTAIN TIMBER PERMITS.**

If the holder of a timber permit that expires in 2025 has been unable to cut and remove some or all of the timber described in the permit, then, notwithstanding any provisions to the contrary in Minnesota Statutes, chapter 90, the commissioner of natural resources must grant an extension of the permit for two years without penalty or interest upon written request to the commissioner by the holder of the permit.

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

Sec. 50. **AUDIT OF AGGREGATE TAX AND THE USE OF THE REVENUES COLLECTED BY COUNTIES.**

The Office of the Legislative Auditor is directed to conduct a program audit of the aggregate production tax established by Minnesota Statutes, section 298.75, to include the following by individual participating county and covering all fiscal years since the county established the tax:

(1) a report on total revenues collected by fiscal year;

(2) a report on how revenues are distributed between maintenance, construction, and reconstruction of roads, highways, and bridges;

(3) a report as to the funding priority given to roads, highways, and bridges that service or are impacted by aggregate operations;

(4) a report as to whether the county distributes aggregate tax revenues on a project or formula basis;

(5) a report as to distribution and expenditure of funds for aggregate mine reclamation activities; and

(6) a report on how tax revenue deposited in the special reserve fund established in Minnesota Statutes, section 298.75, subdivision 7, paragraph (c), clause (3), has been expended since each county began collecting the tax.

Sec. 51. **RECOMMENDATIONS FOR LOCAL GOVERNMENT PERMITTING CHANGES TO PROTECT AGGREGATE RESOURCES.**

By February 1, 2027, the commissioner of natural resources, in consultation with the Minnesota Asphalt Paving Association, the Aggregate and Ready Mix Association of Minnesota, the Association of Minnesota Counties, and other interested stakeholders, must make recommendations to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment and local government for statutory changes that would facilitate local government permitting processes that adequately protect the state's aggregate resources and foster environmentally responsible reclamation of former aggregate mining sites.

Sec. 52. **REPEALER.**

Minnesota Statutes 2024, sections 103E.067; 116C.04, subdivision 11; 116C.991; and 116D.04, subdivision 5b, are repealed.

ARTICLE 5

STATE LANDS

Section 1. **ADDITION TO STATE PARK.**

[85.012] [Subd. 11] Carley State Park, Wabasha County. The following area is added to Carley State Park: That part of Section 32, Township 108 North, Range 11 West, Wabasha County, Minnesota, described as follows: Beginning at the South Quarter corner stake of said Section 32; thence North 15-1/2 degrees East along road 425 feet; thence North 17 degrees East 290 feet; thence North 53 degrees East 280 feet; thence North 17 degrees East 115 feet; thence North 6-1/2 degrees West 643 feet; thence North 72-1/2 degrees West 720 feet; thence North across river 690 feet; thence South 62 degrees East 263 feet along northerly bank of river; thence North 250 feet to center of said Section 32; thence East 1,320 feet; thence North 440 feet to river; thence North 54-1/2 degrees East 224 feet along center of river; thence North 75 degrees East 192 feet; thence South 49 degrees East 115 feet; thence North 79 degrees East 155 feet; thence North 62 degrees East 232 feet; thence North 86 degrees East 293 feet; thence North 64 degrees East 255 feet; thence South 3,368 feet, more or less to the southeast corner of Section 32; thence West 2,643.13 feet to the place of beginning.

EXCEPTING therefrom that portion lying West of the centerline of Wabasha County Road No. 4 owned by the State of Minnesota and A. M. Christenson.

ALSO EXCEPTING that part of the East Half of Section 32, Township 108 North, Range 11 West, Wabasha County, Minnesota, described as follows: Beginning at the South Quarter corner stake of said Section 32; thence North 15-1/2 degrees East along road 425 feet; thence North 17 degrees East 290 feet; thence North 53 degrees East 280 feet; thence South 80 degrees 02 minutes 23 seconds East 304.46 feet; thence North 6 degrees 12 minutes 49 seconds West 483.31 feet; thence South 89 degrees 54 minutes 25 seconds East 386.31 feet; thence North 1 degree 39 minutes 32 seconds East 358.66 feet; thence North 36 degrees 14 minutes 35 seconds East 693.46 feet; thence

North 81 degrees 03 minutes 15 seconds East 349.81 feet; thence North 1 degree 49 minutes 43 seconds West 298.16 feet; thence North 79 degrees 04 minutes 47 seconds East 529.39 feet; thence South 35 degrees 46 minutes 01 seconds East to the east line of the Southeast Quarter of Section 32; thence southerly along the east line of said Southeast Quarter to the southeast corner of said Southeast Quarter of Section 32; thence on a bearing of West along the south line of said Southeast Quarter 2,643.13 feet to the point of beginning.

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

Sec. 2. **PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Aitkin County and is described as: the West 20 feet of the East 932 feet of the South 208 feet of the Southeast Quarter of the Southeast Quarter, as in DOC 203542, Section 32, Township 46 North, Range 25 West (0.1 acres) (parcel number 09-0-054803).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 3. **PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Aitkin County and is described as: the East 32 feet of the West 250 feet of Lot 5 and the East 32 feet of the West 250 feet of the North 10 feet of Lot 3, Hill City Realty Cos Fourth Addition, Section 14, Township 52 North, Range 26 West, Aitkin County, Minnesota (0.1 acres) (parcel number 57-1-073003).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

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

Sec. 4. **PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The lands to be sold are located in Itasca County and are described as: That part of the Southwest Quarter of the Southeast Quarter, Section 15, Township 59 North, Range 24 west of the Fourth Principal Meridian, Itasca County, Minnesota, further described as follows: Commencing at the northwest corner of said Southwest Quarter of the Southeast Quarter; thence North 89 degrees 01 minutes 34 seconds East, assigned bearing, along the north line of said Southwest Quarter of the Southeast Quarter a distance of 255.80 feet to the point of beginning; thence South 10 degrees 50 minutes 31 seconds East a distance of 604.37 feet; thence North 55 degrees 26 minutes17 seconds East a distance of 672.63 feet, more or less to the centerline of County Road 52; thence North 51 degrees 32 minutes 12 seconds West along said centerline a distance of 351.56 feet to said north line of the Southwest Quarter of the Southeast Quarter; thence South 89 degrees 01 minutes 34 seconds West along said north line a distance of 392.39 feet to the point of beginning.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

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

Sec. 5. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the easterly 15 feet of Lot 5, Block 47, West Duluth 6th Division, Section 7, Township 49, Range 14 (parcel number 010-4520-06505); and

(2) that part of the Northwest Quarter of the Northwest Quarter described as follows: beginning at the northwest corner continue due East parallel with the north boundary line a distance of 330 feet to a point of beginning; thence due South parallel with the west boundary line a distance of 400 feet to a point; thence due East parallel with the north boundary line a distance of 190 feet to a point; thence due North parallel with the west boundary a distance of 60 feet to a point; thence due East parallel with the north boundary line a distance of 140 feet to a point; thence due North parallel with the west boundary line a distance of 340 feet to a point; thence due West parallel with the north boundary line a distance of 330 feet to the point of beginning, Section 14, Township 54, Range 20 (parcel number 550-0020-02294).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

ARTICLE 6

ELECTRONIC WASTE AND BATTERY STEWARDSHIP

Section 1. Minnesota Statutes 2024, section 115.071, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of sections 103F.701 to 103F.755, this chapter and chapters 114C, 115A, and 116, and sections 325E.10 to ~~325E.1251~~ 325E.12 and 325E.32 and all rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the agency thereunder or under any other law now in force or hereafter enacted for the prevention, control, or abatement of pollution may be enforced by any one or any combination of the following: criminal prosecution; action to recover civil penalties; injunction; action to compel or cease performance; or other appropriate action, in accordance with the provisions of said chapters and this section.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 2. Minnesota Statutes 2024, section 115A.121, is amended to read:

115A.121 TOXICS AND POLLUTION PREVENTION EVALUATION; CONSOLIDATED REPORT.

The commissioner shall prepare and adopt a report on pollution prevention activities required in chapters 115A, 115D, and 325E. ~~The report must include activities required under section 115A.1320.~~ The commissioner must submit the report to the senate and house of representatives committees having jurisdiction over environment and natural resources by December 31, 2013, and every four years thereafter.

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

Sec. 3. **[115A.1331] STEWARDSHIP PROGRAM FOR CIRCUIT BOARDS, BATTERIES, AND ELECTRICAL PRODUCTS; DEFINITIONS.**

(a) The terms used in sections 115A.1331 to 115A.1347 have the meanings given in this section.

(b) "Battery" means one or more galvanic cells, including any structural members, insulative casing, and terminals.

(c) "Board" means the Covered Products Reimbursement Board established under section 115A.1333.

(d) "Brand" means a trademark, including both a registered and an unregistered trademark; a logo; a name; a symbol; a word; an identifier; or a traceable mark that identifies a covered product or other electrical product and identifies the owner or licensee of the brand as the producer of the product.

(e) "Circuit board" means a nonconductive substrate onto which one or more layers of conductive paths have been printed or wires attached for mounting and interconnecting electronic components, such as resistors, capacitors, diodes, transistors, integrated circuit chips, and connecting wires.

Circuit boards include printed circuit boards, printed wiring boards, and any other style or type of circuit board.

(f) "Collection site" means a physical location where a collector collects covered products and other electrical products from members of the public and businesses. Collection site includes a location regardless of whether it is operated permanently, temporarily, or for purposes of a collection event.

(g) "Collector" means a person that collects covered products and other electrical products on behalf of the stewardship organization and receives reimbursement from the stewardship organization for the collector's costs to collect and manage the products.

(h) "Covered battery" means a battery of any type, physical size, or energy capacity including but not limited to batteries designed and marketed for sale or resale for use in lawn care equipment as defined in section 181A.116, off-highway vehicles, snowmobiles, watercraft, tools, household items, lights, or devices powered by an internal combustion engine. A covered battery does not include:

(1) a lead acid battery subject to sections 325E.115 and 325E.1151;

(2) a battery designed, manufactured, and intended solely for use in manufacturing, industrial, or other commercial settings; or

(3) a battery designed, manufactured, and intended solely for use in a medical device, as defined in the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq.

(i) "Covered circuit board" means any circuit board except a circuit board from:

(1) a major appliance;

(2) an appliance or tool powered by electrical power of equal to or greater than 240 volts alternating current; or

(3) an appliance or tool designed, manufactured, and intended solely for use in manufacturing, industrial, or other commercial settings.

(j) "Covered product" means:

(1) a covered circuit board;

(2) a covered battery;

(3) a cathode-ray tube; or

(4) a product that has a covered circuit board, a covered battery, or a cathode-ray tube contained within it or otherwise attached or connected to it, except:

(i) a medical device, as defined in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq.;

(ii) any device powered by an internal combustion engine;

(iii) an off-highway vehicle, watercraft, or snowmobile; and

(iv) a motor vehicle, as defined in section 168.002.

(k) "Covered services" means collection, sorting, storage, transport, processing, repair, refurbishment, reuse, recycling, reclamation of useful materials from, or disposal of covered products, other electrical products, and residual materials.

(l) "De minimis producer" means a producer that, in the most recent calendar year, had fewer than 100 covered products that were sold in or into the state and for which the producer was responsible.

(m) "Facilitate a sale" means to assist a person in transferring title or possession of a covered product or other electrical product, regardless of whether title or possession is ever acquired by the person facilitating a sale, such as by operating an online marketplace, publishing an offer for sale on a website, physically storing inventory of products, entering into a contract to allow another person to list a product for sale, processing payment on behalf of another person, entering into a contract with a buyer or a seller related to a sale, or otherwise providing a sales process. Facilitate a sale does not include acting solely as:

(1) an advertiser;

(2) a payment processor; or

(3) a common carrier.

(n) "Full collection site" means a collection site that meets the requirements of section 115A.1341, subdivision 1, paragraph (b).

(o) "Household hazardous waste collection program" means a program established under section 115A.96 to collect and manage household hazardous waste as defined in that section.

(p) "Independent auditor" means an independent and actively licensed certified public accountant that is:

(1) retained by the stewardship organization;

(2) not otherwise employed by or affiliated with the stewardship organization; and

(3) qualified to conduct an audit under section 115A.1337, subdivision 5, paragraph (b), clause (8).

(q) "Off-highway vehicle" has the meaning given in section 84.771.

(r) "Organohalogenated chemical" has the meaning given in section 325F.071.

(s) "Other electrical product" means an appliance or tool that is powered by electricity provided through a flexible cord with an attached standardized plug intended for temporary, manual connection

to the electrical distribution system in a residential or commercial structure. Other electrical product does not include:

(1) a covered product;

(2) a major appliance;

(3) an appliance or tool powered by electrical power of greater than 240 volts alternating current; or

(4) an appliance or tool designed, manufactured, and intended solely for use in manufacturing, industrial, or other commercial settings.

(t) "Partial collection site" means a collection site that meets the requirements of section 115A.1341, subdivision 1, paragraph (c), and does not meet the requirements of paragraph (b) of that subdivision.

(u) "Participant" means a producer that is named by the stewardship organization as meeting the producer's obligations under sections 115A.1331 to 115A.1347 to contract with a stewardship organization and to pay for a stewardship program that meets the producer's obligations on the producer's behalf.

(v) "Producer" means, with respect to a covered product or other electrical product that is sold, including online sales; offered for sale or promotional purposes; or distributed in or into the state:

(1) a person that manufactured:

(i) the covered product;

(ii) any component of the covered product if the component is also a covered product; or

(iii) the other electrical product;

(2) a person that imported into the United States:

(i) the covered product;

(ii) any component of the covered product if the component is also a covered product; or

(iii) the other electrical product; and

(3) a person that owns or controls or is licensed to use a brand under which the covered product or other electrical product is sold, including online sales; offered for sale or promotional purposes; or distributed in or into the state.

(w) "Responsible market" means a market for covered products and other electrical products, for reusable or repairable components of covered products and other electrical products, for reclaimed materials from covered products and other electrical products, or for any other recyclable residues from covered products and other electrical products that:

(1) reuses, recycles, or otherwise recovers materials and disposes of contaminants in a manner that protects the environment and minimizes risks to public health and worker health and safety;

(2) complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(3) possesses all licenses and permits required by a federal or state agency or political subdivision;

(4) if operating in the state, recycles covered products and other electrical products to the maximum extent practicable in accordance with section 115A.02, paragraph (b); and

(5) minimizes adverse impacts to environmental justice areas.

(x) "Snowmobile" has the meaning given in section 84.81, subdivision 3.

(y) "Specialized battery or circuit board recycler" means a person that, if and as applicable, is properly authorized by the commissioner or, if operating in another state, an equivalent state or federal governmental body, to process, repair, refurbish, facilitate reuse of, recycle, or reclaim useful materials from covered products.

(z) "Stewardship organization" means a nonprofit organization as described in section 501(c)(3) of the Internal Revenue Code that enters into a contract with producers to draft and submit a plan for a stewardship program under sections 115A.1331 to 115A.1347, and to be responsible for administering and implementing that plan on the producers' behalf.

(aa) "Stewardship plan" means a plan that is prepared according to section 115A.1335 and submitted to the commissioner by a stewardship organization.

(bb) "Stewardship program" means a system implemented by a stewardship organization that provides and pays for covered services and all other activities described in a stewardship plan approved by the commissioner under section 115A.1335, subdivision 4.

(cc) "Watercraft" has the meaning given in section 86B.005, subdivision 18, notwithstanding the exceptions contained therein.

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

Sec. 4. **[115A.1333] COVERED PRODUCTS REIMBURSEMENT BOARD.**

Subdivision 1. **Establishment.** The Covered Products Reimbursement Board is established to recommend reimbursement rates to the commissioner. Except as provided in this section, chapter 15 does not apply to the board.

Subd. 2. **Membership.** (a) By January 1, 2027, the commissioner must appoint the initial membership of the Covered Products Reimbursement Board. Membership must consist of:

(1) two members representing household hazardous waste collection programs;

(2) two members representing collectors, according to paragraph (c); and

(3) four members representing and nominated by the stewardship organization.

(b) In making appointments under paragraph (a), the commissioner may not appoint persons who are:

(1) current or elected Minnesota state representatives or senators;

(2) required to register as lobbyists under section 10A.03; or

(3) employees of the agency.

(c) Initial appointments under paragraph (a), clause (2), must represent potential collectors. After January 1, 2028, whenever the terms of these members expire according to subdivision 3, the new appointments must represent collectors. Members appointed under paragraph (a), clause (2), must not represent household hazardous waste collection programs.

Subd. 3. **Terms; removal.** Members serve for a term of four years, except that one member appointed under subdivision 2, paragraph (a), clause (1); one member appointed under subdivision 2, paragraph (a), clause (2); and two members appointed under subdivision 2, paragraph (a), clause (3), must be appointed to serve an initial term of two years, so that membership terms are staggered. Members may be reappointed to another term following the end of a term. The removal of members is governed by section 15.059, subdivision 4.

Subd. 4. **Quorum; voting.** Meetings of the board must have at least a quorum of members, consisting of six members. Recommendations of the board require the affirmative vote of at least five members.

Subd. 5. **Administrative support; facilitator.** (a) The commissioner must provide administrative support to the board. The commissioner must ensure that all activities of the board that require public notice, such as notice of meetings, agendas and materials related to agenda items, and minutes, are published on the agency's publicly accessible website. The commissioner must provide meeting space and public access for meetings conducted by telephone or interactive technology.

(b) The commissioner must contract for a professional facilitator for the board. The facilitator must schedule and chair the meetings of the board but is not a member for purposes of quorum or voting. The facilitator must ensure that all activities of the board that require public notice are timely provided to the commissioner for publication.

Subd. 6. **Meetings.** (a) The board must meet at least biannually and as necessary to meet the requirements of subdivisions 7 to 9. Meetings may be scheduled at the request of the facilitator or a majority of the members.

(b) The board must comply with the Open Meeting Law under chapter 13D.

Subd. 7. **Recommendations for reimbursement rates.** (a) By July 1, 2027, and annually thereafter, the board must submit to the commissioner a recommendation for reimbursement rates to collectors for the following calendar year.

(b) Recommended rates must be differentiated by methods recommended by the board under subdivision 4, such as local property lease or purchase costs, prevailing local wages, or other factors

to ensure convenient collection statewide according to section 115A.1335, subdivision 3, and that all costs of collection are covered according to paragraph (c).

(c) Recommended rates must cover all costs of collecting covered products and other electrical products incurred by collectors, including at least:

(1) labor and overhead;

(2) covered services performed by a collector in accordance with section 115A.1337, subdivision 1, paragraph (b);

(3) necessary collection and storage structures and containers as provided in section 115A.1347, subdivision 1, paragraph (d);

(4) employee training;

(5) necessary safety equipment, including appropriate fire protection and suppression equipment and supplies; and

(6) any other costs determined necessary by the commissioner.

(d) In making determinations under paragraph (c), clause (6), the commissioner may consider data submitted according to section 115A.1337, subdivision 5; the volume of covered products collected; the estimated volume of covered products sold in or into the state; the estimated volume of covered products disposed of in the state; and other information related to the effectiveness of the stewardship program.

(e) The board must also consider any additional financial incentives necessary to induce collectors to join the stewardship program in locations that would otherwise not be served, so that the stewardship organization can meet or exceed the required convenience standards under section 115A.1335, subdivision 3.

Subd. 8. **Review and approval of reimbursement rates.** (a) Within 90 days after receiving a recommendation on reimbursement rates submitted under subdivision 7, the commissioner must review the recommendation and approve or reject the recommendation.

(b) In conducting a review of a recommendation, the commissioner may consult with interested parties.

(c) For at least 30 days and before approving a recommendation under this subdivision, the commissioner must post the recommendation on the agency's publicly accessible website for public review and comment.

(d) If the commissioner determines that a recommendation does not meet the requirements of this section, the commissioner must reject the recommendation. The commissioner must provide a written notice of determination describing the reasons for the rejection to the board. The board must meet as necessary to submit a revised recommendation to the commissioner.

(e) After consultation under paragraph (b) and review of public comments under paragraph (c), if the commissioner determines that a recommendation meets the requirements of this section, the

commissioner may approve the recommendation. The commissioner must provide a written notice of approval to the board and to the stewardship organization. In the notice, the commissioner must specify the effective date of the approved reimbursement rates.

(f) The stewardship organization must publish approved reimbursement rates on its publicly accessible website within 30 days after receiving the commissioner's written notice of approval. The commissioner may also publish the approved reimbursement rates on the agency's publicly accessible website.

Subd. 9. **More-frequent rate changes.** The board may, for good cause, submit a recommendation for reimbursement rates to the commissioner at less than an annual interval. The commissioner must review the recommendation according to subdivision 8. If the commissioner rejects the recommendation, then the previously approved reimbursement rates for that calendar year continue to be in effect.

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

Sec. 5. **[115A.1335] STEWARDSHIP PLAN AND BUDGET.**

Subdivision 1. **Due date.** By October 1, 2027, all producers must contract with a single stewardship organization to act on the producers' behalf. By that date, the stewardship organization must submit a single stewardship plan meeting the requirements of subdivision 2 to the commissioner to review for approval or rejection.

Subd. 2. **Plan content; budget requirement.** (a) The stewardship plan must include:

(1) identification of and contact information for the stewardship organization;

(2) identification of and contact information for all other persons that the stewardship organization has contracted, subcontracted, or partnered with to administer and implement the stewardship program that are not participants identified in clause (3) or collectors or persons providing covered services identified in clause (4), unless such participants, collectors, or persons providing covered services are also in any way administering or implementing the stewardship program beyond participation, collection, or provision of covered services. The relationship of the other organizations and role in administration and implementation of the stewardship program must be described;

(3) identification of and contact information for all participants in the stewardship program;

(4) identification of and contact information for each collector; each person providing covered services for covered products or other electrical products, including any collector that will perform covered services other than collection; and each facility at which covered products and other electrical products will be managed under the stewardship plan;

(5) the address; county of location; and, in a form prescribed by the commissioner, geolocation data for each collection site to be served by the stewardship organization under the stewardship program and identification of the site as a full collection site, as a partial collection site, or as operated by a household hazardous waste collection program;

(6) a list of the brands covered under the stewardship program;

(7) eligibility criteria for prospective collectors of covered products and other electrical products under the stewardship program according to section 115A.1337, subdivision 3, paragraph (c);

(8) a description of how the stewardship program will accept and provide covered services and reimbursement under this section to any household hazardous waste collection program in a manner that is equal to the services and reimbursement provided to all other collectors, if the operator of the household hazardous waste collection program requests covered services and reimbursement;

(9) a description of how the stewardship program will provide convenient, statewide collection according to subdivision 3;

(10) a description of how the stewardship organization will annually monitor and ensure continuing compliance with the convenience standards under subdivision 3;

(11) a description of how the stewardship organization will provide each collector served by the stewardship program with the materials specified in section 115A.1337, subdivision 1, including specifications for appropriate containers, signage templates, and a copy of all training and educational materials to be provided;

(12) a description of how collection sites will be accessible according to section 115A.1337, subdivision 2;

(13) the performance standards for persons providing covered services for covered products and other electrical products on behalf of the stewardship organization and the oversight methods by which the stewardship organization will ensure continuing compliance with the performance standards. The performance standards must:

(i) meet the requirements of section 115A.1337, subdivision 3;

(ii) ensure that covered products and materials resulting from recycling covered products are managed only by specialized battery or electronics recyclers and through responsible markets; and

(iii) ensure that other electrical products and materials resulting from recycling of other electrical products are managed through responsible markets;

(14) a description of methods by which the stewardship organization will ensure that covered products and any other electrical products that are waste for which the stewardship organization is responsible are managed while in the state in compliance with rules adopted under section 116.07 for managing solid waste and hazardous waste and, when outside the state, with all federal, state, and local requirements applicable to managing solid waste and hazardous waste, as applicable;

(15) a description of methods by which the stewardship organization will ensure that covered products and any other electrical products for which the stewardship organization is responsible are managed in compliance with safety and health requirements for employees administered by the Department of Labor and Industry and with fire protection requirements administered by the Department of Public Safety while in the state and, when outside the state, with all federal, state, and local requirements applicable to safety and health requirements for employees and fire protection requirements;

(16) a description of methods by which the stewardship organization will ensure that covered products and other electrical products for which the stewardship organization is responsible are transported in compliance with applicable regulations incorporated by reference under section 221.033 for transporting hazardous materials while in the state and, when outside the state, with all federal, state, and local requirements applicable to transportation of hazardous materials;

(17) a statement of indemnification by the stewardship organization to collectors for potential liability for improper downstream management of covered products and other electrical products or residual materials by providers of covered services contracted for by the stewardship organization and identified in the stewardship plan under clause (3);

(18) a description of how the stewardship organization will determine the mass of covered products and other electrical products for which it has provided covered services under the stewardship program by county of collection and, for covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, by battery chemistry;

(19) a description of the outreach and education methods and activities that the stewardship organization will provide according to section 115A.1337, subdivision 4;

(20) a description of how the stewardship organization will employ at least one full-time employee who is solely dedicated to implementing the stewardship program in this state and serving as the primary contact between the stewardship organization and the agency;

(21) a description of the system by which the stewardship organization will provide advance funding of or reimbursement to collectors in a manner that provides:

(i) a clear process for submitting and paying invoices;

(ii) reasonable timelines for reimbursement, at intervals no longer than monthly unless otherwise agreed to by the person providing covered services to be reimbursed; and

(iii) a third-party mediator to resolve disputes that arise between the stewardship organization and a person providing covered services regarding determining or paying reimbursements;

(22) identification of groups of producers, such as by industry, covered product and other electrical product type, or other method proposed by the stewardship organization, and the proposed allocation of stewardship program costs among the groups of producers, such that the costs of managing covered products or other electrical products produced by a group of producers are not borne by other groups of producers;

(23) a description of how the stewardship organization will comply with subdivision 6, paragraph (b);

(24) a description of how the stewardship organization will assist producers in complying with the labeling requirements of section 115A.1347, subdivision 2, paragraph (a);

(25) a description of how the stewardship organization will ensure that covered products and other electrical products managed under the stewardship program are recycled to the maximum extent practicable in accordance with section 115A.02, paragraph (b);

(26) a description of how the stewardship organization will incentivize investment in processes, product design and material use, technology, and personnel training that could raise the future maximum extent practicable for recycling described in clause (25), including consideration of covered product reuse, repair, and product life cycle;

(27) a description of how the stewardship organization will annually report to the commissioner the number, type, and volume of covered products and other electrical products collected during each calendar year, specifying the categories of the covered products and other electrical products and the chemistries of the covered batteries collected;

(28) a description of how the stewardship organization will annually report to the commissioner the end management, through reuse, repair, reclamation, recycling, or disposal, of the covered products and other electrical products shipped from collection sites under the stewardship program during each calendar year;

(29) a description of how the stewardship organization will take action to decrease the incidence of covered products in solid waste in the state according to section 115A.1337, subdivision 4, paragraph (c), including providing collection opportunities under section 115A.1337, subdivision 2, paragraph (b);

(30) a description of how the stewardship organization will assist persons providing covered services after collection to identify, segregate, and properly manage organohalogenated chemicals contained in or separated from covered products and reduce the prevalence of organohalogenated chemicals in products derived from recycled covered products; and

(31) a description of how the stewardship organization will, where feasible, assist producers in reducing the occurrence of organohalogenated chemicals in covered products.

(b) By January 1, 2028, and by April 1 each year thereafter, the stewardship organization must submit an anticipated annual budget for the stewardship program, broken down into the stewardship program's estimated costs for administration, collection, sorting, storage, transportation, processing, refurbishment, repair, reuse, recycling, disposal, and communication costs, including the cost of fees under section 115A.1339 but not including costs for lobbying, costs associated with litigation against the state, or penalties imposed by the state. The budget is not subject to review and approval under subdivisions 4 and 5.

Subd. 3. **Convenience standards.** (a) The stewardship plan must provide convenient, statewide collection for all covered products that are offered to collectors by a person in the state, regardless of:

(1) a covered product's brand;

(2) a covered battery's energy capacity or chemistry;

(3) whether the producer of a covered product is a participant in the stewardship program; or

(4) whether the brand of a covered product is covered under the stewardship program.

(b) The stewardship plan must meet the following convenience standards:

(1) for each county with a population of 10,000 or less, maintain at least two full collection sites;

(2) for each county with a population greater than 10,000 but less than or equal to 100,000, maintain at least two full collection sites and at least one additional full collection site for each additional 10,000 in population above a population of 10,000;

(3) for each county with a population greater than 100,000, maintain at least 11 full collection sites and at least one additional full collection site for each additional 50,000 in population above a population of 100,000;

(4) maintain a full collection site located within ten miles of the household of at least 95 percent of the residents of the state;

(5) ensure no net loss in estimated collection convenience and capacity for covered products of any type; and

(6) any additional convenience standards that the commissioner determines are necessary to provide convenient, statewide collection for covered products, including operation of partial collection sites and additional full collection sites.

(c) In making a determination under paragraph (b), clause (6), the commissioner may consider data submitted according to section 115A.1337, subdivision 5; the volume of covered products collected; the estimated volume of covered products sold in or into the state; the estimated volume of covered products disposed of in the state; the stewardship organization's plans under subdivision 2, paragraph (a), clause (28); and other information related to the effectiveness of the stewardship program.

Subd. 4. **Review of stewardship plan; implementation.** (a) Within 120 days after receiving a complete stewardship plan submitted under this section, the commissioner must determine whether the stewardship plan complies with the requirements of this section and will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable. The commissioner must provide a written notice of determination according to this subdivision.

(b) In conducting a review of a stewardship plan, the commissioner may consult with interested parties.

(c) For at least 30 days and before approving a stewardship plan, the commissioner must place the stewardship plan on the agency's publicly accessible website for public review and comment.

(d) If the commissioner determines that a stewardship plan fails to meet the requirements of this section or will not ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must reject the stewardship plan. The commissioner must provide a written notice of determination to the stewardship organization describing the reasons for the rejection.

(e) After any consultation under paragraph (b) and review of public comments received under paragraph (c), if the commissioner determines that a stewardship plan meets the requirements of

subdivision 2, the commissioner must approve the stewardship plan. The commissioner must provide a written notice of determination to the stewardship organization.

(f) The stewardship organization must publish its approved stewardship plan on its publicly accessible website within 30 days after receiving written notice of approval but is not required to publish nonpublic data as defined under chapter 13. The commissioner may publish the approved stewardship plan on the agency's publicly accessible website but must not publish nonpublic data.

(g) The stewardship organization must implement the stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are approved by the commissioner according to subdivision 5, within 60 days after receiving written notice of approval.

(h) For each stewardship plan or amendment submitted to the commissioner for review, the commissioner may consider the data submitted according to section 115A.1337, subdivision 5, and other relevant information to establish requirements to improve the effectiveness, performance, and awareness of the stewardship program.

Subd. 5. **Amending or terminating stewardship plan.** (a) The stewardship organization may amend a stewardship plan approved under subdivision 4 without review or approval by the commissioner to make the changes specified in clauses (1) to (3). Within 30 days after adopting an amendment under this paragraph, the stewardship organization must report the amendment to the commissioner and must publish the amended stewardship plan on the stewardship organization's publicly accessible website. The stewardship organization must implement amendments made to a stewardship plan under this paragraph within 60 days after adopting the amendment. The stewardship organization may:

(1) add, terminate, or replace a collector, collection site, person providing covered services, or facility at which covered services will be performed;

(2) add or remove participants or brands covered under the stewardship plan; or

(3) change contact staff or contact staff information for the stewardship organization, participants, collectors, persons transporting covered products or other electrical products, or facilities to be used for storage, processing, recycling, or disposal.

(b) Except for an amendment under paragraph (a), a proposed amendment to a stewardship plan approved under subdivision 4 must be submitted to and reviewed and approved by the commissioner before it may be implemented by the stewardship organization. The commissioner must review and approve or reject the proposed amendment according to subdivision 4.

(c) The stewardship organization with an approved stewardship plan must submit an amended stewardship plan for review at least every five years according to this subdivision and subdivision 4 if the commissioner has not during that time approved amendments submitted for review under paragraph (b).

(d) The stewardship organization may terminate a stewardship plan by providing at least 90 days' written notice to the commissioner and to all participants in the stewardship program. Before the stewardship plan is terminated, each participant must meet the requirements of section 115A.1335,

subdivision 1, by contracting with a new stewardship organization, which must submit and obtain the commissioner's approval for a stewardship plan.

(e) The commissioner may terminate a stewardship plan for good cause, such as significant noncompliance with this section; failure to ensure that covered products and other electrical products collected in the state are being managed in responsible markets and according to subdivision 2, paragraph (a), clauses (13) to (15); failure to timely submit a stewardship plan for review according to paragraph (c); or failure to pay fees assessed under section 115A.1339. If the commissioner terminates a stewardship plan, the commissioner must provide the stewardship organization with written notice of termination describing the good cause for termination. The commissioner must also notify all participants in the stewardship program in writing using the contact information for the participants provided in the stewardship plan.

Subd. 6. **Compliance.** (a) The stewardship organization must comply with its stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are made according to subdivision 5, paragraph (a) or (b).

(b) The stewardship organization must comply with the reimbursement rates approved by the commissioner.

(c) The stewardship organization must ensure that all costs of the stewardship program are fully paid for by producers as a whole, except for de minimis producers. All costs of the stewardship program must be allocated fairly between groups of producers without any fee, charge, surcharge, or any other cost to:

(1) any member of the public;

(2) any business other than a producer;

(3) any collector;

(4) any person providing covered services;

(5) the state or any political subdivision;

(6) de minimis producers; or

(7) any other person who is not a producer.

(d) In implementing paragraph (c), the stewardship organization must ensure that costs of managing covered products and other electrical products produced by a group of producers are not shifted to nor borne by any other group of producers.

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

Sec. 6. **[115A.1337] STEWARDSHIP ORGANIZATION DUTIES.**

Subdivision 1. **Duties to collectors.** (a) The stewardship organization must provide the following to each collector:

(1) reimbursement at the rates approved by the commissioner;

(2) all covered services after the initial collection of covered products and other electrical products by the collector;

(3) containers as described in section 115A.1347, subdivision 1, paragraph (d);

(4) consistent signage identifying a collection site;

(5) training for collection site employees on identifying and safely handling and storing covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, including damaged, defective, or recalled batteries, also known as DDR batteries;

(6) educational materials that address the information described in subdivision 4, paragraph (a), clause (3), for distribution to members of the public and businesses in Minnesota. The educational materials must be made available in English and at least the three most frequent languages spoken at home in the state other than English, according to the state demographer; and

(7) direction to an alternate collector whenever a collector determines and reports to the stewardship organization, according to section 115A.1341, subdivision 1, paragraph (e), that the collector cannot safely collect a covered product. The stewardship organization must ensure that the covered product is collected by another collector.

(b) The stewardship organization must allow a collector to perform covered services other than collection if the collector meets the performance standards in the stewardship plan under section 115A.1335, subdivision 2, paragraph (a), clause (13), and the collector is identified in the stewardship plan as providing covered services other than collection according to section 115A.1335, subdivision 2, paragraph (a), clause (4).

(c) For covered services provided under paragraph (b), the stewardship organization must reimburse the collector for the cost of the performed covered services according to section 115A.1335, subdivision 2, paragraph (a), clause (21).

(d) A collector may request the stewardship organization to add a person to provide covered services to the stewardship plan as an amendment under section 115A.1335, subdivision 5, paragraph (a), and the stewardship organization must consider the request if the person meets the performance standards in the stewardship plan.

Subd. 2. **Accessibility.** (a) The stewardship organization must provide convenient, equitable, and accessible service to all Minnesotans, including but not limited to people of color; Minnesota Tribal governments as defined in section 10.65, subdivision 2; those that are non-English speaking; immigrant and refugee communities; those with limited access to transportation; and those in environmental justice areas.

(b) The stewardship program must include collection opportunities beyond those required under section 115A.1335, subdivision 3, to better serve populations under paragraph (a), such as additional partial collection sites, individual pickup from households, and temporary events to provide enhanced collection availability.

(c) Where feasible, the stewardship organization must encourage establishing collection sites in proximity to local public transit.

Subd. 3. **Oversight; eligibility of persons providing covered services.** (a) The stewardship organization must ensure that:

(1) covered products and other electrical products managed under the stewardship program are recycled to the maximum extent practicable in accordance with section 115A.02, paragraph (b); and

(2) residual materials are managed in compliance with applicable hazardous waste or solid waste requirements by:

(i) each person transporting covered products or other electrical products; and

(ii) each facility listed in the stewardship plan at which storage, processing, recycling, or disposal of covered products and other electrical products is performed.

(b) To ensure that covered products and other electrical products are managed to the maximum extent practicable in accordance with section 115A.02, paragraph (b), the commissioner may require performance standards and oversight methods in lieu of or in addition to the performance standards and oversight methods used by a stewardship organization under paragraph (a) and section 115A.1335, subdivision 2, paragraph (a), clause (13), for persons providing covered services for covered products and other electrical products. The commissioner may consider data submitted under subdivision 5; the availability and feasibility of technology, processes, and methods for managing covered products and other electrical products; and other information related to the effectiveness of the stewardship program.

(c) The stewardship organization must allow any person that agrees to operate or continues to operate a full collection site in compliance with section 115A.1341 and any household hazardous waste collection program to serve as a collector. The stewardship organization must consider allowing any person that agrees to operate or continues to operate a partial collection site in compliance with section 115A.1341 to serve as a collector. Except for a household hazardous waste collection program, a stewardship organization may terminate a collector and cease payment to the collector for good cause.

Subd. 4. **Stewardship program effectiveness.** (a) To support the effectiveness of the stewardship program, the stewardship organization must provide outreach and education to:

(1) persons that might sell, offer for sale or promotional purposes, or distribute covered products or other electrical products in or into the state, to inform the persons of the requirements of section 115A.1347, subdivision 2;

(2) potential collectors and persons who are collecting covered products before the effective date of this section to inform the collectors how to request coverage by the stewardship program; and

(3) members of the public to raise awareness of:

(i) public health and safety and environmental risks caused by improperly charging, storing, and disposing of covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them;

(ii) public health and environmental risks caused by improperly disposing of covered products;

(iii) methods to safely charge and store covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them;

(iv) the benefits of repairing, reusing, and recycling covered products and other electrical products in contrast to disposal; and

(v) the existence of the stewardship program and the ability to recycle covered products and other electrical products at no cost, including the location and convenience of collection sites in the state.

(b) The stewardship organization must maintain a publicly accessible website to locate collection sites through map-based and text-based searches.

(c) The stewardship organization must, in addition to the requirements of paragraphs (a) and (b), take action to decrease the incidence of covered products in solid waste generated in the state as soon as practicable and to the maximum extent achievable. The commissioner may determine the effectiveness of the stewardship program using information from waste composition studies conducted under section 115A.412 and other information available to the commissioner and may require the stewardship organization to submit information and implement actions to decrease the incidence of covered products in solid waste in accordance with section 115A.1335, subdivisions 2, paragraph (a), clause (29); and 3, paragraph (b), clause (6).

Subd. 5. **Reporting.** (a) The stewardship organization must report an amendment to the stewardship plan made under section 115A.1335, subdivision 5, paragraph (a), to the commissioner within 30 days after making the amendment.

(b) By April 1 each year, the stewardship organization must report to the commissioner, in a form and manner prescribed by the commissioner, on the stewardship organization's activities during the preceding calendar year. The stewardship organization must also submit a copy of the report to the board. The report must include:

(1) the address, county of location, and geolocation data for each collection site used by the stewardship organization under the stewardship program during the preceding calendar year;

(2) the number, type, and volume of covered products and other electrical products collected during each calendar year, specifying the categories of the covered products and other electrical products and the chemistries of the covered batteries collected, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (27);

(3) the end management, through reuse, repair, reclamation, recycling, or disposal, of the covered products and other electrical products shipped from collection sites under the stewardship program, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (28);

(4) the effectiveness of the stewardship organization's actions to decrease the incidence of covered products in solid waste in the state, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (29), including the support of partial collection sites;

(5) a description of the actions taken by the stewardship organization regarding identification, management, and reduction in prevalence of organohalogenated chemicals in covered products under section 115A.1335, subdivision 2, paragraph (a), clauses (30) and (31);

(6) the results of the oversight according to section 115A.1335, subdivision 2, paragraph (a), clause (13), verifying that the performance standards were met by each of the persons providing covered services;

(7) a description of outreach and education activities performed by the stewardship organization during the preceding calendar year according to subdivision 4;

(8) a financial report on the stewardship program, including actual costs and funding compared to the budget for the year submitted under section 115A.1335, subdivision 2, paragraph (b). The financial report must include an audit report of the stewardship program by an independent auditor. The independent auditor must be selected by the stewardship organization and approved or rejected by the commissioner. If the commissioner rejects an independent auditor, the stewardship organization must select a different independent auditor for approval or rejection by the commissioner. The independent audit must meet the requirements of Accounting Standards Update 2018-08, Not-for-Profit Entities (Topic 958), Financial Accounting Standards Board, as amended;

(9) the proposed and actual budget for the year in which the report is submitted; and

(10) starting on the second April after the stewardship organization's first stewardship plan is approved by the commissioner, and then every third year thereafter, a performance audit of the stewardship program. The performance audit must conform to audit standards established by the United States Government Accountability Office; the National Association of State Auditors, Comptrollers and Treasurers; or another nationally recognized organization approved by the commissioner.

Subd. 6. **Organization of the stewardship organization.** (a) The stewardship organization may function as a coordinating board and contract, subcontract, or partner with any other person to administer and implement the stewardship program.

(b) A contract, subcontract, or partnership established according to paragraph (a) must be described under section 115A.1335, subdivision 2, paragraph (a), clause (2).

(c) Notwithstanding any contract, subcontract, or partnership established according to paragraph (a), the stewardship organization must:

(1) remain responsible for compliance with sections 115A.1331 to 115A.1347;

(2) submit a single stewardship plan meeting the requirements of sections 115A.1331 to 115A.1347;

(3) submit a single report according to subdivision 5 meeting the requirements of sections 115A.1331 to 115A.1347;

(4) serve as the single point of contact for reporting and reimbursement for:

(i) each collector;

(ii) each person providing covered services for covered products or other electrical products, including any collector that will perform covered services other than collection; and

(iii) each facility at which covered products and other electrical products will be managed under the stewardship plan; and

(5) serve as the single point of contact for the agency.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 7. **[115A.1339] FEES.**

Subdivision 1. **Administrative fees.** (a) By January 1, 2028, and by July 1 each year thereafter, the commissioner must calculate the sum of all costs that the agency incurs under sections 115A.1331 to 115A.1347, exclusive of recovery and management of covered products under subdivision 2. The sum calculated for the period preceding January 1, 2028, must include the agency's costs of implementing sections 115A.1331 to 115A.1347. For the purposes of this paragraph, costs of the board are considered costs incurred by the agency.

(b) Notwithstanding section 16A.1283, the commissioner must assess administrative fees at an amount that is adequate to reimburse the agency's sum costs of administering sections 115A.1331 to 115A.1347. The stewardship organization must pay the assessed administrative fees by the due dates set by the commissioner.

Subd. 2. **Recovery and proper management fees.** (a) When the commissioner intends to spend money for the recovery and proper management of covered products under section 115A.1343, subdivision 1, notwithstanding section 16A.1283, the commissioner must assess the estimated cost of recovery and proper management of covered products to the stewardship organization.

(b) The cost under paragraph (a) must not include any subsequent remediation of the real properties where the covered products are located nor the cost of any environmental assessment of the properties to determine appropriate subsequent remediation under other law. Such costs must not be paid from any funds assessed, collected, or appropriated under this section. The stewardship organization must pay the assessed recovery and management fee by the due date set by the commissioner.

(c) If, after the covered products have been recovered and properly managed, the actual cost of recovery and proper management of the recovered products is less than the fee paid by the stewardship organization, the commissioner must refund the excess payment. If the cost of recovery and proper management exceeds the fee paid by the stewardship organization, the commissioner must assess the stewardship organization for the deficit. The stewardship organization must pay the assessed recovery and management fee deficit by the due date set by the commissioner.

Subd. 3. **Disposition of fees.** The total amount of net fees collected under this section must not exceed the amount necessary to reimburse agency costs as calculated under subdivisions 1 and 2. All fees received under subdivisions 1 and 2 must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. The amount collected under this section is annually appropriated to the commissioner to implement and enforce sections 115A.1331 to 115A.1347.

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

Sec. 8. **[115A.1341] COLLECTOR DUTIES.**

Subdivision 1. **Accepting covered products.** (a) All collectors must accept covered products without imposing a fee, charge, surcharge, or other cost to any person other than the stewardship organization.

(b) At a full collection site, a collector must accept from any person at least ten covered products daily of any brand, any type, any physical size, and, in the case of covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, any energy capacity or chemistry, unless the collector determines a specific covered product cannot be safely collected by the collector at a specific collection site at a specific time under paragraph (e). A full collection site must be open to receiving covered products at least 12 operating hours per week, 50 weeks each calendar year.

(c) At a partial collection site, a collector must accept from any person covered products of any brand, but may limit the number, type, physical size, and, in the case of covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, the energy capacity or chemistry of the covered battery of the covered products accepted.

(d) A household hazardous waste collection program may accept covered products at any collection site it operates. The household hazardous waste collection program may limit the persons from which it will accept covered products and may limit the number, type, physical size, and, in the case of covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, the energy capacity or chemistry of the covered battery of the covered products accepted. The stewardship organization may count a collection site operated by the household hazardous waste collection program as a full collection site when demonstrating compliance with the convenience standards of section 115A.1335, subdivision 3, if the household hazardous waste collection program voluntarily agrees in writing with the stewardship organization to comply with paragraph (b) at the site.

(e) A collector that determines that it cannot safely accept a specific covered product must document the reason for not accepting the covered product and immediately notify the stewardship organization of the nonacceptance in order to allow the stewardship organization to arrange for alternate collection of the covered product under section 115A.1337, subdivision 1, paragraph (a), clause (7).

Subd. 2. **Accepting other electrical products.** A collector may accept other electrical products from a person. If a collector accepts other electrical products, the collector may not impose a fee, charge, surcharge, or other cost to any person other than the stewardship organization.

Subd. 3. **Storing accepted products.** A collector must manage and store all accepted covered products and other electrical products safely and in compliance with section 115A.1347, subdivision 1, paragraphs (c) and (d).

Subd. 4. **Training.** A collector must ensure and document that training is provided for collection site employees on identifying and safely handling and storing covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them, including damaged, defective, or recalled batteries, also known as DDR batteries. The collector may provide the training or may receive training from the stewardship organization or the stewardship organization's representative.

Subd. 5. **Recordkeeping.** A collector must maintain the following records for at least three years and make them available to the commissioner for inspection:

(1) records of covered products and other electrical products accepted at a collection site;

(2) records of covered products and other electrical products shipped from a collection site; and

(3) documentation of employee training. The three-year record retention period for employee documentation begins on the day following the last day the employee worked for the collector.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 9. **[115A.1343] COVERED PRODUCTS RECOVERY AND PROPER MANAGEMENT.**

Subdivision 1. **Recovery and proper management.** (a) In addition to any authority granted by other law and without limiting that authority, whenever the commissioner determines that covered products have been abandoned, improperly disposed of, or stored on real property within the state in a manner not in compliance with sections 115A.1331 to 115A.1347 or with applicable rules adopted under section 116.07, subdivision 2, paragraph (d), or 4, paragraph (g), the commissioner may issue an order under section 115.071, subdivision 5; 116.07, subdivision 9; or 116.072, subdivision 1, requiring a person responsible for the abandonment, improper disposal, or noncompliant storage of the covered products to recover and properly manage the covered products according to sections 115A.1331 to 115A.1347 and applicable rules. An order under this paragraph must notify the person of the provisions of this subdivision.

(b) If a person that receives an order under paragraph (a) fails to complete the ordered actions to recover and properly manage the covered products within the time specified in the order, then after that time or upon expiration of the appeal period for the order, whichever is later, the commissioner must notify the stewardship organization in writing of:

(1) the commissioner's determination that the covered products have been abandoned, improperly disposed of, or stored in a noncompliant manner;

(2) the name of the person that was issued the order under paragraph (a) and the location of the covered products;

(3) the actions required to recover and properly manage the covered products; and

(4) the amount of time that the stewardship organization may, with the consent of the person, attempt to complete the actions to recover and properly manage the covered products on behalf of the person.

(c) If the stewardship organization intends to recover and properly manage the covered products, the stewardship organization must notify the commissioner of its intent and submit a plan to recover and properly manage the covered products to the commissioner. The stewardship organization must comply with its submitted recovery and management plan.

(d) If, after the period specified in paragraph (b), the ordered actions to recover and properly manage the covered products have not been completed, or upon earlier notice from the stewardship organization that it does not intend to take the actions, the commissioner may recover and properly manage the covered products. The commissioner must estimate the cost for a person contracted to the agency to perform the recovery and management. The commissioner must assess the estimated cost to the stewardship organization according to section 115A.1339, subdivision 2. After the stewardship organization pays the assessed fee, the commissioner may recover and properly manage the covered products. Money appropriated to the commissioner from the product stewardship account may be spent by the commissioner to recover and properly manage the covered products.

(e) In addition to the authority to enter upon any public or private property for the purpose of obtaining information or conducting surveys or investigations under section 115A.06, the commissioner or any designee or agent may enter upon the property to recover covered products when acting under this subdivision.

Subd. 2. **Limited private right of action for recovery and proper management.** (a) The stewardship organization that recovers and properly manages covered products under subdivision 1, paragraph (c), may maintain a civil action against a person issued an order to recover and properly manage those covered products under subdivision 1, paragraph (a). The stewardship organization is entitled to damages under this paragraph of twice its actual cost of recovery and proper management of the covered products. Additional amounts recoverable under this paragraph include an award of reasonable attorney fees and costs.

(b) When the stewardship organization is assessed and pays the cost to recover and properly manage covered products under subdivision 1, paragraph (d), and section 115A.1339, subdivision 2, the stewardship organization may maintain a civil action against a person issued an order to recover and properly manage those covered products under subdivision 1, paragraph (a). The stewardship organization is entitled to damages under this paragraph equal to the cost of recovery and proper management of covered products assessed by the commissioner to the stewardship organization. Additional amounts recoverable under this paragraph include an award of reasonable attorney fees and costs.

(c) The commissioner may not be a party to or be required to provide assistance or otherwise participate in a civil action authorized under this subdivision unless subject to a subpoena before a court of jurisdiction.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 10. **[115A.1345] OTHER AUTHORITIES AND DUTIES.**

Subdivision 1. **Limited private right of action against producers.** (a) Except as provided in paragraph (d), the stewardship organization may maintain a civil action against one or more producers, except a de minimis producer, to recover a portion of the stewardship organization's costs and additional amounts according to this subdivision.

(b) Damages recoverable under this subdivision may not exceed a fair share of the actual costs incurred by the plaintiff stewardship organization in managing covered products or other electrical products of a defendant producer subject to section 115A.1347, subdivision 2, paragraph (b), and covered products or other electrical products of other producers that were not participants. Additional amounts recoverable under this subdivision include an award of reasonable attorney fees and costs. If a defendant producer did not participate in the stewardship program established under sections 115A.1331 to 115A.1347 during the period in which covered products or other electrical products of the defendant producer were managed by the plaintiff stewardship organization, a punitive sum of up to three times the damages awarded may be assessed.

(c) A plaintiff stewardship organization may establish a defendant producer's fair share of the plaintiff's actual costs by providing the court with information establishing the process by which the defendant producer's share of stewardship program costs would have been allocated had the defendant producer been a participant in the program or paid its allocated share if it was a participant. The plaintiff stewardship organization may use data from producers similar in covered product, financial status, or market share to the defendant producer to provide the information.

(d) An action may not be commenced under this subdivision against a potential defendant producer until 60 days after the plaintiff stewardship organization provides to all potential defendants a written notice of the claim setting forth the amount of the claim and the basis for the calculation of the amount.

(e) No action may be brought under this subdivision against a person other than a producer.

(f) The commissioner may not be a party to or be required to provide assistance or otherwise participate in a civil action authorized under this subdivision unless subject to a subpoena before a court of jurisdiction.

Subd. 2. **Conduct authorized.** A producer or stewardship organization that organizes covered services for covered products or other electrical products under sections 115A.1331 to 115A.1347 is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or stewardship organization's chosen system.

Subd. 3. **Duty to provide information.** Upon request of the commissioner for purposes of implementing sections 115A.1331 to 115A.1347, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Subd. 4. **Contracts.** (a) Any person awarded a contract under chapter 16C for purchase or lease of covered products or other electrical products that is found to be in violation of sections 115A.1331 to 115A.1347 is subject to the following sanctions:

(1) the contract must be voided if the commissioner of administration determines that the potential adverse impact to the state is exceeded by the benefit obtained from voiding the contract; and

(2) the contractor is subject to suspension and disbarment under Minnesota Rules, part 1230.1150.

(b) If the attorney general establishes that any money, property, or benefit was obtained by a contractor as a result of violating sections 115A.1331 to 115A.1347, the court may, in addition to any other remedy, order the disgorgement of the unlawfully obtained money, property, or benefit.

Subd. 5. **Multistate implementation.** The commissioner may participate in establishing a regional multistate organization or compact to assist in carrying out the requirements of sections 115A.1331 to 115A.1347.

Subd. 6. **Rules.** The commissioner may adopt rules to implement sections 115A.1331 to 115A.1347. The 18-month time limit under section 14.125 does not apply to rulemaking under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 11. **[115A.1347] DISPOSAL PROHIBITIONS; BATTERY LABELING; COVERED PRODUCT SALES RESTRICTION.**

Subdivision 1. **Disposal prohibition.** (a) A person may not place a covered product into:

(1) solid waste; or

(2) a recycling container that a collector has not clearly marked for use for collecting covered products.

(b) A person must manage a covered product that is discarded by delivering the covered product to a collection site or to a recycling facility for covered products.

(c) Until recycled, covered products are not exempt from any applicable rules adopted under section 116.07 for managing hazardous waste.

(d) Covered batteries and covered products that have covered batteries contained within them or otherwise attached or connected to them must be stored in containers that are:

(1) designed, constructed, and used in a manner to suppress battery fires in the container or to prevent ignition of materials outside the container; and

(2) held in structures compliant with the local fire code.

Subd. 2. **Labeling and sale; requirements.** (a) A person may not sell, including online sales; offer for sale or promotional purposes; distribute in or into the state; or facilitate a sale of a covered battery or covered product that has a covered battery contained within it or otherwise attached or connected to it unless the covered battery and covered product is labeled to identify the chemistry employed to store energy in the battery. Labeling under this paragraph must be permanently marked on or affixed to the covered battery and covered product and must use either language or graphics that identifies the battery chemistry employed or a QR code compliant with International Organization of Standardization 18004:2015, that accesses equivalent data via the Internet that is available without fee or requirement to create an account.

(b) A person may not sell, including online sales; offer for sale or promotional purposes; distribute in or into the state; or facilitate a sale of a covered product or other electrical product unless the producer of the covered product or other electrical product is named as a participant in a stewardship plan published under section 115A.1335, subdivision 4, paragraph (f), or the brand is named as covered in a stewardship plan published under section 115A.1335, subdivision 4, paragraph (f), and the stewardship plan has not been terminated under section 115A.1335, subdivision 5.

(c) This subdivision does not apply to isolated and occasional sales of a covered product or other electrical product that are not made in the normal course of business, as exempted from sales tax under section 297A.67, subdivision 23.

(d) This subdivision does not apply to sales, including online sales; offers for sale or promotional purposes; distribution; or facilitation of a sale of a used covered product or used other electrical product.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 12. Minnesota Statutes 2024, section 115A.554, is amended to read:

115A.554 AUTHORITY OF SANITARY DISTRICTS.

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; ~~115A.961;~~ 116.072; 375.18, subdivision 14; 400.04; 400.06; 400.07; 400.08; 400.16; and 400.161.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 13. Minnesota Statutes 2024, section 116.92, subdivision 6, is amended to read:

Subd. 6. **Mercury thermometers prohibited.** (a) A manufacturer, wholesaler, or retailer may not sell or distribute at no cost a thermometer containing mercury that was manufactured after June 1, 2001.

(b) Paragraph (a) does not apply to an electronic thermometer with a battery containing mercury if the battery is in compliance with ~~section 325E.125~~ subdivision 8l.

(c) A manufacturer is in compliance with this subdivision if the manufacturer:

(1) has received an exclusion or exemption from a state that is a member of the Interstate Mercury Education and Reduction Clearinghouse (IMERC) for replacement parts when no alternative is available or for an application when no feasible alternative is available;

(2) submits a copy of the approved exclusion or exemption to the commissioner; and

(3) meets all of the requirements in the approved exclusion or exemption for the manufacturer's activities within the state.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 14. Minnesota Statutes 2024, section 116.92, is amended by adding a subdivision to read:

Subd. 8l. **Ban; mercury in batteries.** A person may not sell, offer for sale, or distribute in or into the state:

(1) an alkaline manganese battery that contains mercury that is not a button cell nonrechargeable battery;

(2) a nonrechargeable button cell battery that contains more than 25 milligrams of mercury; or

(3) a dry cell battery containing a mercuric oxide electrode.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 15. **REPEALER.**

Minnesota Statutes 2024, sections 115A.1310, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12b, 12c, 13, 14, 15, 17, 18, 19, and 20; 115A.1312; 115A.1314; 115A.1316; 115A.1318; 115A.1320; 115A.1322; 115A.1323; 115A.1324; 115A.1326; 115A.1328; 115A.1330; 115A.9155; 115A.9157, subdivisions 1, 2, 3, 5, 6, 7, 8, and 9; 115A.961, subdivisions 1, 2, and 3; 325E.125; and 325E.1251, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2028.

ARTICLE 7

ENVIRONMENTAL PERMITTING REFORM

Section 1. Minnesota Statutes 2024, section 115.542, is amended to read:

115.542 NOTICE REQUIREMENTS FOR PUBLICLY OWNED WASTEWATER TREATMENT FACILITIES.

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

(1) "permit" means a national pollutant discharge elimination system (NPDES) permit or state disposal system (SDS) permit; and

(2) "permit applicant" means a person or entity submitting an application for a new permit or renewal, modification, or revocation of an existing permit for a publicly owned wastewater treatment facility.

Subd. 2. **Applicability.** This section applies to all draft permits and permits for publicly owned wastewater treatment facilities for which the commissioner of the Pollution Control Agency makes a preliminary determination whether to issue or deny.

Subd. 3. **Prepublic notice review requirements.** Unless waived by the permit applicant, the commissioner of the Pollution Control Agency must provide a permit applicant with a copy of the

draft permit and any fact sheets required by agency rules at least 30 days before the distribution and public notice of the permit application and preliminary determination.

Subd. 4. ~~**Permitting efficiency**~~ **Public notice requirements.** The commissioner must prepare and issue a public notice of a completed application and the commissioner's preliminary determination as to whether the permit should be issued or denied. The public comment period must be at least 60 days for permit applications under this section but may be reduced to 30 days if:

(1) a request for the reduction is made by the permit applicant; and

(2) the commissioner approves the request based on consideration of public or Tribal interest in the permit action.

Subd. 5. **Permitting efficiency.** Notwithstanding section 116.03, it is the goal of the state that tier 2 permits for publicly owned wastewater treatment facilities be issued or denied within 210 days following submission of a permit application.

Sec. 2. Minnesota Statutes 2024, section 116.03, subdivision 2b, is amended to read:

Subd. 2b. **Permitting efficiency.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for tier 1 permits or 150 days for tier 2 permits following submission of a permit application. The commissioner ~~of the Pollution Control Agency shall~~ must establish management systems designed to achieve the goal. For the purposes of this section, "tier 1 permits" are permits that do not require individualized actions or public comment periods, and "tier 2 permits" are permits that require individualized actions or public comment periods. Goals established in this paragraph do not apply to permit applications required due to agency enforcement actions.

(b) The commissioner ~~shall~~ must prepare an annual permitting efficiency report that includes statistics on meeting the tier 2 goal in paragraph (a) and the criteria for tier 2 by permit categories. The report must also provide information on consultants regarding achievement of the performance standards under paragraph (e), clauses (1) to (4). The report ~~is due~~ must be submitted to the governor and to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance by October 1 ~~August 1~~ each year and must be posted on the agency's website. Each report must include:

(1) for each permit ~~applications~~ application that ~~have~~ has not met the goal, ~~the report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays~~ an explanation of whether the delay was caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement~~. The report must specify~~;

(2) for each permit that has not met the goal, the number of days from initial submission of the application to the day of determination that the application is complete~~. The report must aggregate~~;

(3) a summary of the data for the ~~year~~ reporting period and ~~assess~~ an assessment of whether program or system changes are necessary to achieve the tier 2 goal~~. The report must be posted on the agency's website and submitted to the governor and the chairs and ranking minority members~~

~~of the house of representatives and senate committees having jurisdiction over environment policy and finance.~~ in paragraph (a);

(4) a statement of the number of tier 2 permits completed within the reporting period and, immediately following in parentheses, a statement of the percentage of total applications received for that tier 2 permit category that the number represents, stated separately for industrial and municipal permits; and

(5) for permits that did not meet the goal due to lack of staff, a combined estimate of the aggregate staff resources that would have been necessary for all affected permits to meet the goal.

(c) The commissioner ~~shall~~ must allow electronic submission of environmental review and permit documents to the agency.

(d) Within 30 business days of application for a permit subject to paragraph (a), the commissioner ~~of the Pollution Control Agency shall~~ must notify the permit applicant, in writing, ~~whether the application is complete or incomplete. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate~~ of all deficiencies~~,~~ while citing specific provisions of the applicable rules and statutes, and must advise the applicant on how the deficiencies can be remedied. The applicant shall have five business days to remedy all identified deficiencies before the commissioner determines that the application is complete or incomplete. If the commissioner determines that the application is complete, the ~~notice~~ commissioner must confirm the application's tier 1 or tier 2 permit status. If the commissioner believes that a complete application for a tier 2 construction permit cannot be issued within the 150-day goal, the commissioner must provide notice to the applicant with the commissioner's notice that the application is complete and, upon request of the applicant, provide the permit applicant with a schedule estimating when the agency will begin drafting the permit and issue the public notice of the draft permit. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) The commissioner must credential consultants who meet the requirements of this paragraph and must provide a logo or similar indicator with the credential that can be used by a consultant in marketing their services. For purposes of this section, "consultant" means a third-party professional representing a facility owner or operator to prepare or assist in preparing a permit application or other similar documentation required by the commissioner for authorizations under chapters 115 to 116. A consultant is credentialed on January 1 each odd-numbered year if, in the preceding two years, the consultant:

(1) submitted permit applications deemed complete under paragraph (d) at a rate of at least 80 percent;

(2) when applicable, met agreed-upon deadlines as part of a plan designed to increase the coordination and efficiency of regulatory activities, such as a plan described under section 116.035;

(3) did not represent an owner or operator to prepare or assist in preparing a permit application or other similar documentation when the owner or operator received a citation under section 116.073, subdivision 1, paragraph (b); and

(4) was not found in violation of Minnesota Rules, part 7000.0300, relating to duty of candor.

(f) If, after notifying the permit applicant that the application is complete, the commissioner determines that additional information is needed, the commissioner must notify the applicant. Upon notice under this paragraph, counting days toward the 90- or 150-day goal described in paragraph (a) stops until the applicant has responded with the additional information. Once the applicant has responded with all the additional information required, counting resumes from where it stopped. The applicant has 30 business days to provide the additional information to the commissioner, but the commissioner may extend the time upon the applicant's request.

~~(e)~~ (g) For purposes of this subdivision, "permit professional" means an individual not employed by the Pollution Control Agency who:

(1) has a professional license issued by the state of Minnesota in the subject area of the permit;

(2) has at least ten years of experience in the subject area of the permit; and

(3) abides by the duty of candor applicable to employees of the Pollution Control Agency under agency rules and complies with all applicable requirements under chapter 326.

~~(f)~~ (h) Upon the agency's request, an applicant relying on a permit professional must participate in a meeting with the agency before submitting an application:

(1) at least two weeks prior to the preapplication meeting, the applicant must submit at least the following:

(i) project description, including, but not limited to, scope of work, primary emissions points, discharge outfalls, and water intake points;

(ii) location of the project, including county, municipality, and location on the site;

(iii) business schedule for project completion; and

(iv) other information requested by the agency at least four weeks prior to the scheduled meeting; and

(2) during the preapplication meeting, the agency ~~shall~~ must provide for the applicant at least the following:

(i) an overview of the permit review program;

(ii) a determination of which specific application or applications will be necessary to complete the project;

(iii) a statement notifying the applicant if the specific permit being sought requires a mandatory public hearing or comment period;

(iv) a review of the timetable established in the permit review program for the specific permit being sought; and

(v) a determination of what information must be included in the application, including a description of any required modeling or testing.

~~(g)~~ (i) The applicant may select a permit professional to undertake the preparation of the permit application and draft permit.

~~(h)~~ (j) If a preapplication meeting was held, the agency ~~shall~~ must, within seven business days of receipt of an application, notify the applicant and submitting permit professional that the application is complete or is denied, specifying the deficiencies of the application.

~~(i)~~ (k) Upon receipt of notice that the application is complete, the permit professional ~~shall~~ must submit to the agency a timetable for submitting a draft permit. The permit professional ~~shall~~ must submit a draft permit on or before the date provided in the timetable. Within 60 days after the close of the public comment period, the commissioner ~~shall~~ must notify the applicant whether the permit can be issued.

~~(j)~~ (l) Nothing in this section shall be construed to modify:

(1) any requirement of law that is necessary to retain federal delegation to or assumption by the state; or

(2) the authority to implement a federal law or program.

~~(k)~~ (m) The permit application and draft permit ~~shall~~ must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the permit application and draft permit. The commissioner ~~shall~~ must request additional studies, if needed, and the permit applicant ~~shall~~ must submit all additional studies and information necessary for the commissioner to perform the commissioner's responsibility to review, modify, and determine the completeness of the application and approve the draft permit.

Sec. 3. Minnesota Statutes 2024, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. **Permits.** (a) The Pollution Control Agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution. The Pollution Control Agency may issue separate permits for constructing a facility described in this paragraph and for its operation, except for a facility required to complete a mandatory environmental impact statement under Minnesota Rules, part 4410.4400. The Pollution Control Agency must prioritize these permits in a manner that minimizes the time required to construct and begin operation of the permitted facility while complying with state and federal requirements.

(b) The Pollution Control Agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

(c) The agency may not issue a permit to a facility without analyzing and considering the cumulative levels and effects of past and current environmental pollution from all sources on the environment and residents of the geographic area within which the facility's emissions are likely to

be deposited, provided that the facility is located in a community in a city of the first class in Hennepin County that meets all of the following conditions:

(1) is within a half mile of a site designated by the federal government as an EPA superfund site due to residential arsenic contamination;

(2) a majority of the population are low-income persons of color and American Indians;

(3) a disproportionate percent of the children have childhood lead poisoning, asthma, or other environmentally related health problems;

(4) is located in a city that has experienced numerous air quality alert days of dangerous air quality for sensitive populations between February 2007 and February 2008; and

(5) is located near the junctions of several heavily trafficked state and county highways and two one-way streets which carry both truck and auto traffic.

(d) The Pollution Control Agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(e) The Pollution Control Agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to Minnesota Statutes 2020, sections 366.10 to 366.181, or sections 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

(f) Except as prohibited by federal law, a person may commence construction, reconstruction, replacement, or modification of any facility prior to the issuance of a construction permit by the agency.

(g) For the purposes of this subdivision, the Pollution Control Agency may require the owners and operators of any emission facility, air containment treatment facility, treatment facility, potential air containment storage facility, or storage facility, or any part thereof, to conduct air dispersion modeling of air contaminants.

Sec. 4. Minnesota Statutes 2024, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under

the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than $25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than $25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar

year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may ~~offer~~ request expedited permitting under this paragraph. An applicant requesting expedited permitting under this paragraph must agree to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement ~~shall be~~ is in addition to permit application fees imposed by law. ~~When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement.~~ The commissioner must give the applicant an estimate of the timeline and costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. If the applicant agrees to the estimated timeline and costs negotiated with the commissioner, the applicant and the commissioner must enter into a written agreement ~~detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency~~ to proceed accordingly. The agreement must ~~also~~ identify staff anticipated to be assigned to the project. The agreement may provide that, if permitting is completed ahead of the schedule set forth in the written agreement, the commissioner may retain any fees that would have been due if the permitting had taken the time contemplated in the written agreement. Fees retained by the commissioner under this paragraph are appropriated to the commissioner for administering the commissioner's permitting duties. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 5. Minnesota Statutes 2024, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action must be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement must be an analytical rather than an encyclopedic document that describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement must also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement must be prepared as early as practical in the formulation of an action.

(b) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets must be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet is not required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement is not required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock is not considered a fuel conversion facility as used in rules adopted under this chapter.

(d) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a website that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit may extend the 30-day comment period for an additional 30 days one time. Further extensions of the comment period may not be made unless approved by the project's proposer. The responsible governmental unit's decision on the need for an environmental impact statement must be based on the environmental assessment worksheet and the comments received during the comment period, and must be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(e) An environmental assessment worksheet must also be prepared for a proposed action whenever material evidence accompanying a petition ~~by not less than 100 individuals who reside or own property in the state~~, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions may be submitted by:

(1) a Minnesota Tribal government as defined under section 10.65, subdivision 2; or

(2) not less than 100 individuals who reside or own property in the state.

(f) Petitions requesting the preparation of an environmental assessment worksheet under paragraph (e) must be submitted to the board. The chair of the board or designee shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet must be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair or designee may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

~~(f)~~ (g) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

~~(g)~~ (h) The board may, before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

~~(h)~~ (i) An early and open process must be used to limit the scope of the environmental impact statement to a discussion of those impacts that, because of the nature or location of the project, have the potential for significant environmental effects. The same process must be used to determine the form, content, and level of detail of the statement as well as the alternatives that are appropriate for consideration in the statement. In addition, the permits that will be required for the proposed action must be identified during the scoping process. Further, the process must identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process must be incorporated into the order requiring the preparation of an environmental impact statement.

~~(i)~~ (j) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project must be

developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing shall participate. The responsible governmental unit shall establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and shall use the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental assessment worksheet scoping document must begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

~~(j)~~ (k) An environmental impact statement must be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit has 60 days to prepare an adequate environmental impact statement.

~~(k)~~ (l) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit must identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 6. 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. 7. Minnesota Statutes 2024, section 116D.04, subdivision 5a, is amended to read:

Subd. 5a. **Rules.** The board shall, by January 1, 1981, promulgate rules in conformity with this chapter and the provisions of chapter 15, establishing:

(1) the governmental unit which shall be responsible for environmental review of a proposed action;

(2) the form and content of environmental assessment worksheets;

(3) a scoping process in conformance with subdivision 2a, paragraph ~~(h)~~ (i);

(4) a procedure for identifying during the scoping process the permits necessary for a proposed action and a process for coordinating review of appropriate permits with the preparation of the environmental impact statement;

(5) a standard format for environmental impact statements;

(6) standards for determining the alternatives to be discussed in an environmental impact statement;

(7) alternative forms of environmental review which are acceptable pursuant to subdivision 4a;

(8) a model ordinance which may be adopted and implemented by local governmental units in lieu of the environmental impact statement process required by this section, providing for an alternative form of environmental review where an action does not require a state agency permit and is consistent with an applicable comprehensive plan. The model ordinance shall provide for adequate consideration of appropriate alternatives, and shall ensure that decisions are made in accordance with the policies and purposes of Laws 1980, chapter 447;

(9) procedures to reduce paperwork and delay through intergovernmental cooperation and the elimination of unnecessary duplication of environmental reviews;

(10) procedures for expediting the selection of consultants by the governmental unit responsible for the preparation of an environmental impact statement; and

(11) any additional rules which are reasonably necessary to carry out the requirements of this section.

Sec. 8. Minnesota Statutes 2024, section 116D.045, subdivision 1, is amended to read:

Subdivision 1. **Assessment.** The board must by rule adopt procedures to:

(1) assess the proposer of a specific action for the responsible governmental unit's reasonable costs of preparing, reviewing, and distributing the environmental impact statement. The costs must be determined by the responsible governmental unit according to the rules adopted by the board; and

(2) authorize a responsible governmental unit to allow a proposer of a specific action to prepare a draft environmental impact statement according to section 116D.04, subdivision 2a, paragraph ~~(k)~~ (l).

Sec. 9. **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.

Sec. 10. **STATE IMPLEMENTATION PLAN REVISIONS.**

The commissioner of the Pollution Control Agency must seek approval from the federal Environmental Protection Agency for revisions to the state's federal Clean Air Act state implementation plan if changes are needed to reflect the requirements of Minnesota Statutes, section 116.07, subdivision 4a, as amended by this act.

Sec. 11. **REPORT ON USE OF AUTHORITY TO EXTEND TIMELINE FOR CERTAIN AGENCY ACTIONS.**

By February 15, 2028, 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 noticed under Minnesota Statutes, section 15.99, subdivision 3, paragraph (f), that are made for any decision under Minnesota Rules, chapter 8420, between January 1, 2026, and December 31, 2027. A local government unit must supply the board with information necessary to prepare the report required by this section."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; appropriating money from environment and natural resources trust fund; modifying prior appropriations; modifying fees and surcharges; modifying disposition of certain funds; modifying permitting and environmental review provisions; establishing a stewardship program for circuit boards, batteries, and electrical products; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; providing civil and criminal penalties; authorizing rulemaking; modifying requirements for recreational vehicles; modifying state trail, state forest, and state park provisions; authorizing sales, conveyances, and leases of certain

state lands; modifying forestry provisions; modifying game and fish provisions; making technical changes; requiring reports; amending Minnesota Statutes 2024, sections 84.027, by adding a subdivision; 84.03; 84.8035, subdivision 1; 84D.01, by adding a subdivision; 84D.05, subdivision 1; 86B.415, subdivision 7; 97A.223, subdivision 1; 97A.421, by adding a subdivision; 97A.465, by adding a subdivision; 97A.475, subdivisions 2, 6; 97B.001, subdivision 4; 97B.037; 97B.318, subdivision 1; 97B.405; 97B.667, subdivision 3; 97B.945; 97C.395; 97C.835, subdivision 2; 103G.005, subdivision 15; 103G.201; 103G.271, subdivision 6; 103G.301, subdivision 2; 115.01, by adding a subdivision; 115.071, subdivision 1; 115.542; 115A.121; 115A.554; 115B.421; 116.03, subdivision 2b; 116.07, subdivisions 4a, 4d, by adding a subdivision; 116.073, subdivisions 1, 2; 116.182, subdivision 5; 116.92, subdivision 6, by adding a subdivision; 116.943, subdivisions 1, 5; 116D.04, subdivisions 2a, 2b, 5a; 116D.045, subdivision 1; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 446A.07, subdivision 8; 473.355, subdivision 2; 473.859, subdivision 2; Laws 2023, chapter 60, article 1, sections 2, subdivisions 2, 7, 10; 3, subdivision 6; Laws 2024, chapter 83, section 2, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; 97B; 115; 115A; 325F; repealing Minnesota Statutes 2024, sections 103E.067; 115A.1310, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12b, 12c, 13, 14, 15, 17, 18, 19, 20; 115A.1312; 115A.1314; 115A.1316; 115A.1318; 115A.1320; 115A.1322; 115A.1323; 115A.1324; 115A.1326; 115A.1328; 115A.1330; 115A.9155; 115A.9157, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 115A.961, subdivisions 1, 2, 3; 116C.04, subdivision 11; 116C.991; 116D.04, subdivision 5b; 325E.125; 325E.1251."

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

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

S.F. No. 2669: A bill for an act relating to health care; modifying provisions relating to the Department of Health, health care, pharmacy services, background studies, Department of Human Services program integrity, health-related licensing boards, and certain fees; providing for rulemaking; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2024, sections 13.46, subdivisions 2, 3; 62D.21; 62D.211; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6, 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601, subdivisions 2, 4; 144.0758, subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2, 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.122; 144.1222, subdivision 1a; 144.3831, subdivision 1; 144.55, subdivision 1a; 144.554; 144.608, subdivision 2; 144.615, subdivision 8; 144.966, subdivision 2; 144A.291, subdivision 2; 144A.43, by adding a subdivision; 144A.474, subdivisions 9, 11; 144A.475, subdivisions 3, 3a, 3b, 3c; 144A.71, subdivision 2; 144A.753, subdivision 1; 144E.123, subdivision 3; 144G.20, subdivisions 3, 13, 16, 17; 144G.30, subdivision 7; 144G.31, subdivisions 2, 4, 5, 8; 144G.45, subdivision 6; 145.8811; 148.108, subdivision 1, by adding subdivisions; 148B.53, subdivision 3; 148E.180, subdivisions 1, 5, 7, by adding subdivisions; 153B.85, subdivisions 1, 3; 156.015, by adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision; 174.30, subdivision 3; 245.095, subdivision 5, by adding a subdivision; 245A.04, subdivision 1; 245A.05; 245A.07, subdivision 2; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15, subdivisions 1, 4a; 254B.06, by adding a subdivision; 256.9657,

subdivisions 2, 3; 256.983, subdivision 4; 256B.04, subdivision 21; 256B.0625, subdivisions 3b, 8e, 13, 13c, 30; 256B.0659, subdivision 21; 256B.0949, subdivision 2; 256B.69, subdivision 6d; 256B.85, subdivision 12; 256L.03, subdivision 3b; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 2, 3, 4, by adding a subdivision; Laws 2024, chapter 127, article 67, section 4; proposing coding for new law in Minnesota Statutes, chapters 144; 153; repealing Minnesota Statutes 2024, sections 103I.550; 148.108, subdivisions 2, 3, 4; 156.015, subdivision 1; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT OF HEALTH FINANCE

Section 1. Minnesota Statutes 2024, section 62D.21, is amended to read:

62D.21 FEES.

Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay to the commissioner of health the following fees ~~as prescribed by the commissioner of health pursuant to section 144.122 for the following~~:

(1) filing an application for a certificate of authority: $10,000;

(2) filing an amendment to a certificate of authority: $125;

(3) filing each annual report: $400; ~~and~~

~~(4) other filings, as specified by rule.~~

(4) filing each quarterly report: $200; and

(5) filing annual plan review documents, amendments to plan documents, and quality plans: $125.

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

Sec. 2. Minnesota Statutes 2024, section 62D.211, is amended to read:

62D.211 RENEWAL FEE.

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner of health each year before June 15 a certificate of authority renewal fee in the amount of ~~$10,000~~ $30,000 each plus ~~20~~ 88 cents per person enrolled in the health maintenance organization on December 31 of the preceding year. ~~The commissioner may adjust the renewal fee in rule under the provisions of chapter 14.~~

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

Sec. 3. **[62J.8241] FACILITY FEES PROHIBITED.**

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

(b) "Facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

(c) "Health care provider" has the meaning given in section 145B.02. Health care provider does not include any critical access hospital.

(d) "Provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144 or a health system that operates one or more hospitals licensed under chapter 144 and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. This definition does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Subd. 2. **Provider-based clinic prohibition.** Health care providers are prohibited from charging, billing, or collecting a facility fee for nonemergency services provided at a provider-based clinic, including services provided by telehealth as defined in section 62A.673, subdivision 2, paragraph (h).

Subd. 3. **Service-specific prohibition.** (a) Regardless of where the services are provided, except for at emergency departments located on a hospital campus, health care providers are prohibited from charging, billing, or collecting a facility fee for outpatient evaluation and management services.

(b) Notwithstanding paragraph (a), a health care provider may charge, bill, or collect a facility fee for observation stays on a hospital campus and for outpatient services that use a current procedural terminology (CPT) evaluation and management code or CPT assessment and management code when billed for wound care, orthopedics, anticoagulation, oncology, obstetrics, and solid organ transplant.

Subd. 4. **Reporting.** (a) By January 15, 2027, and each year thereafter, hospitals licensed under chapter 144 and health systems operating one or more hospitals licensed under chapter 144 must submit a report to the commissioner of health identifying facility fees charged, billed, and collected during the preceding calendar year. The commissioner must publish the information reported on a publicly accessible website. The report shall be in the format prescribed by the commissioner of health.

(b) The report under this subdivision must include the following information for each facility owned or operated by the hospital or health system providing services for which a facility fee is charged, billed, or collected:

(1) the name and full address of each facility;

(2) the number of patient visits at each facility; and

(3) the number, total amount, and range of allowable facility fees paid at each facility by Medicare, medical assistance, MinnesotaCare, and private insurance.

(c) The report under this subdivision must include the following information for the entire hospital or health system:

(1) the total amount charged and billed for facility fees;

(2) the total amount collected from facility fees;

(3) the top ten procedures or services provided by the hospital or health system that generated the greatest amount of facility fee gross revenue, the volume of each of these ten procedures or services and the gross and net revenue totals for each procedure or service, and the total net amount of revenue received by the hospital or health system derived from facility fees;

(4) the top ten procedures or services, based on patient volume, provided by the hospital or health system for which facility fees are charged, billed, or collected, based on patient volume, including the gross and net revenue totals received for each such procedure or service; and

(5) any other information related to facility fees that the commissioner of health may require.

Subd. 5. **Enforcement.** (a) A violation of this section is an unlawful business practice for purposes of section 8.31. The attorney general may enforce this section pursuant to section 8.31.

(b) In addition to penalties provided in paragraph (a), the commissioner of health may, pursuant to the procedures in sections 144.99 and 144.991, impose an administrative penalty on a health care provider for failure to comply with subdivision 4. The penalty must not exceed $1,000 per occurrence.

(c) The commissioner of health or the commissioner's designee may audit any health care provider for compliance with the requirements of this section. A health care provider must make available, upon written request of the commissioner or the commissioner's designee, copies of any books, documents, records, or data that are necessary for the purposes of completing the audit for four years after the furnishing of any services for which a facility fee was charged, billed, or collected.

Sec. 4. Minnesota Statutes 2024, section 103I.101, subdivision 6, is amended to read:

Subd. 6. **Fees for variances.** The commissioner shall charge a nonrefundable application fee of ~~$275~~ $325 to cover the ~~administrative~~ cost of processing a request for a variance or modification of rules adopted by the commissioner under this chapter.

Sec. 5. Minnesota Statutes 2024, section 103I.208, subdivision 1, is amended to read:

Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property owner is:

(1) for construction of a water supply well, ~~$275~~ $325, which includes the state core function fee;

(2) for a well sealing, ~~$75~~ $125 for each well or temporary boring, which includes the state core function fee, except that: (i) a single notification and fee of ~~$75~~ $125 is required for all temporary borings on a single property and sealed within 72 hours of start of construction; and (ii) temporary borings less than 25 feet in depth are exempt from the notification and fee requirements in this chapter;

(3) for construction of a dewatering well, ~~$275~~ $330, which includes the state core function fee, for each dewatering well, except a dewatering project comprising five or more dewatering wells shall be assessed a single fee of ~~$1,375~~ $1,620 for the dewatering wells recorded on the notification; and

(4) for construction of an environmental well, ~~$275~~ $330, which includes the state core function fee, ~~except that a single fee of $275 is required for all environmental wells recorded on the notification that are located on a single property, and except that no fee is required for construction of a temporary boring~~ for each environmental well, except an environmental well site project comprising five or more environmental wells shall be assessed a single fee of $1,620 for the environmental wells recorded on the notification.

Sec. 6. Minnesota Statutes 2024, section 103I.208, subdivision 1a, is amended to read:

Subd. 1a. **State core function fee.** The state core function fee to be collected by the state and delegated community health boards and used to support state core functions is:

(1) for a new well, ~~$20~~ $40; and

(2) for a well sealing, ~~$5~~ $15.

Sec. 7. Minnesota Statutes 2024, section 103I.208, subdivision 2, is amended to read:

Subd. 2. **Permit fee.** (a) The permit fee to be paid by a property owner is:

(1) for a water supply well that is not in use under a maintenance permit, ~~$175~~ $225 annually;

(2) for an environmental well that is unsealed under a maintenance permit, ~~$175 annually except~~ no fee is required for an environmental well owned by a federal agency, state agency, or local unit of government that is unsealed under a maintenance permit. "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, a watershed district, an organization formed for the joint exercise of powers under section 471.59, a community health board, or other special purpose district or authority with local jurisdiction in water and related land resources management;

(3) for environmental wells on an environmental well site that are unsealed under a maintenance permit~~,~~:

~~$175~~ (i) $225 annually for one to ten environmental wells per site ~~regardless of the number of environmental wells located on site~~;

(ii) $325 annually for 11 to 20 environmental wells per site; and

(iii) $425 annually for 21 or more environmental wells per site;

(4) for a groundwater thermal exchange device, in addition to the notification fee for water supply wells, ~~$275~~ $350 for systems using 20 gallons per minute or less and $590 for systems using over 20 gallons per minute, which includes the state core function fee;

(5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling capacity, ~~$275~~ $350;

(6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity, ~~$515~~ $590;

(7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling capacity, ~~$740~~ $815;

(8) for a dewatering well that is unsealed under a maintenance permit, ~~$175~~ $330 annually for each dewatering well, except a dewatering project comprising ~~more than~~ five or more dewatering wells shall be issued a single permit for ~~$875~~ $1,620 annually for dewatering wells recorded on the permit;

(9) for an elevator boring, ~~$275~~ $325 for each boring; and

(10) for a submerged closed loop heat exchanger system, in addition to the notification fee for water supply wells, $3,250, which includes the state core function fee.

(b) For purposes of this subdivision, an environmental well site includes all of the environmental wells on a single property. A single property is considered one tax parcel or multiple contiguous parcels with the same owner.

Sec. 8. Minnesota Statutes 2024, section 103I.235, subdivision 1, is amended to read:

Subdivision 1. **Disclosure of wells to buyer.** (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515B.

(f) For an area owned in common under chapter 515 or 515B the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(h) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of ~~$50~~ $54 for receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health ~~$42.50~~ $46.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(i) No new well disclosure certificate is required under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status and number of wells on the property have not changed since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(j) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(k) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 9. Minnesota Statutes 2024, section 103I.525, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of a well contractor is ~~$75~~ $100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of a well contractor is ~~$75~~ $100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 10. Minnesota Statutes 2024, section 103I.525, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for a well contractor's license is ~~$250~~ $300.

Sec. 11. Minnesota Statutes 2024, section 103I.525, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A licensee must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for a well contractor's license is ~~$250~~ $300.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all properly completed well and boring construction reports, well and boring sealing reports, reports of elevator borings, water sample analysis reports, well and boring permits, and well notifications for work conducted by the licensee since the last license renewal.

Sec. 12. Minnesota Statutes 2024, section 103I.531, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of a limited well/boring contractor is ~~$75~~ $100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of a limited well/boring contractor is ~~$75~~ $100. The commissioner may not renew a certification until the renewal fee is paid.

(c) The fee for three or more limited well/boring contractor certifications is ~~$225~~ $275.

(d) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 13. Minnesota Statutes 2024, section 103I.531, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for a limited well/boring contractor's license is ~~$75~~ $100. The fee for three or more limited well/boring contractor licenses is ~~$225~~ $275.

Sec. 14. Minnesota Statutes 2024, section 103I.531, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee to renew the limited well/boring contractor's license by the date stated in the license.

(b) The renewal application fee for a limited well/boring contractor's license is ~~$75~~ $100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all properly completed well and boring construction reports, well and boring sealing reports, well and boring permits, water quality sample reports, and well notifications for work conducted by the licensee since the last license renewal.

Sec. 15. Minnesota Statutes 2024, section 103I.535, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of an elevator boring contractor is ~~$75~~ $100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of an elevator boring contractor is ~~$75~~ $100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 16. Minnesota Statutes 2024, section 103I.535, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for an elevator boring contractor's license is ~~$75~~ $100.

Sec. 17. Minnesota Statutes 2024, section 103I.535, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for an elevator boring contractor's license is ~~$75~~ $100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of renewal, the commissioner must have on file all reports and permits for elevator boring work conducted by the licensee since the last license renewal.

Sec. 18. Minnesota Statutes 2024, section 103I.541, subdivision 2b, is amended to read:

Subd. 2b. **Issuance of license.** If a person employs a certified representative, submits the bond under subdivision 3, and pays the license fee of ~~$75~~ $100 for an environmental well contractor license, the commissioner shall issue an environmental well contractor license to the applicant. The fee for an individual registration is ~~$75~~ $100. The commissioner may not act on an application until the application fee is paid.

Sec. 19. Minnesota Statutes 2024, section 103I.541, subdivision 2c, is amended to read:

Subd. 2c. **Certification fee.** (a) The application fee for certification as a representative of an environmental well contractor is ~~$75~~ $100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of an environmental well contractor is ~~$75~~ $100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 20. Minnesota Statutes 2024, section 103I.541, subdivision 4, is amended to read:

Subd. 4. **License renewal.** (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for an environmental well contractor's license is ~~$75~~ $100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all well and boring construction reports, well and boring sealing reports, well permits, and notifications for work conducted by the licensed person since the last license renewal.

Sec. 21. Minnesota Statutes 2024, section 103I.545, subdivision 1, is amended to read:

Subdivision 1. **Drilling machine.** (a) A person may not use a drilling machine such as a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license under this chapter unless the drilling machine is registered with the commissioner.

(b) A person must apply for the registration on forms prescribed by the commissioner and submit a ~~$75~~ $125 registration fee.

(c) A registration is valid for one year.

Sec. 22. Minnesota Statutes 2024, section 103I.545, subdivision 2, is amended to read:

Subd. 2. **Hoist.** (a) A person may not use a machine such as a hoist for an activity requiring a license under this chapter to repair wells or borings, seal wells or borings, or install pumps unless the machine is registered with the commissioner.

(b) A person must apply for the registration on forms prescribed by the commissioner and submit a ~~$75~~ $125 registration fee.

(c) A registration is valid for one year.

Sec. 23. Minnesota Statutes 2024, section 103I.601, subdivision 2, is amended to read:

Subd. 2. **License required to make borings.** (a) Except as provided in paragraph (d), a person must not make an exploratory boring without an explorer's license. The fee for an explorer's license is ~~$75~~ $100. The explorer's license is valid until the date prescribed in the license by the commissioner.

(b) A person must file an application and renewal application fee to renew the explorer's license by the date stated in the license. The renewal application fee is ~~$75~~ $100.

(c) If the licensee submits an application fee after the required renewal date, the licensee:

(1) must include a late fee of $75; and

(2) may not conduct activities authorized by an explorer's license until the renewal application, renewal application fee, late fee, and sealing reports required in subdivision 9 are submitted.

(d) An explorer must designate a responsible individual to supervise and oversee the making of exploratory borings.

(1) Before an individual supervises or oversees an exploratory boring, the individual must file an application and application fee of ~~$75~~ $100 to qualify as a certified responsible individual.

(2) The individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer or geoscientist licensed under sections 326.02 to 326.15 or a professional geologist certified by the American Institute of Professional Geologists is not required to take the examination required in this subdivision, but must be certified as a responsible individual to supervise an exploratory boring.

(3) The individual must file an application and a renewal fee of ~~$75~~ $100 to renew the responsible individual's certification by the date stated in the certification. If the certified responsible individual submits an application fee after the renewal date, the certified responsible individual must include a late fee of $75 and may not supervise or oversee exploratory borings until the renewal application, application fee, and late fee are submitted.

Sec. 24. Minnesota Statutes 2024, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring map and a fee of ~~$275~~ $325 for each boring constructed.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is 8-1/2 by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 25. **[144.063] DEMENTIA SERVICES PROGRAM ESTABLISHED.**

The commissioner of health shall establish the dementia services program to:

(1) facilitate the coordination and support of:

(i) state-funded policies and programs that relate to Alzheimer's disease and related forms of dementia;

(ii) outreach programs and services between state agencies, local public health departments, Tribal Nations, educational institutions, and community groups for the purpose of fostering public awareness and education regarding Alzheimer's disease and related forms of dementia; and

(iii) services and activities between groups that are interested in dementia research, programs, and services, including area agencies on aging, service providers, advocacy groups, legal services, emergency personnel, law enforcement, local public health departments, Tribal Nations, and state colleges and universities;

(2) facilitate the coordination, review, publication, and implementation of and updates to the Minnesota Dementia Strategic Plan;

(3) collect and analyze data related to the impact of Alzheimer's disease and related forms of dementia in Minnesota; and

(4) incorporate early detection and risk reduction strategies into existing department-led public health programs.

Sec. 26. Minnesota Statutes 2024, section 144.1205, subdivision 2, is amended to read:

Subd. 2. **Initial and annual fee.** (a) A licensee must pay an initial fee that is equivalent to the annual fee upon issuance of the initial license.

(b) A licensee must pay an annual fee at least 60 days before the anniversary date of the issuance of the license. The annual fee is as follows:

TYPE	LICENSE FEE
Academic broad scope - type A, B, or C	~~$25,896~~ $34,500
Academic broad scope - type A, B, or C (4-8 locations)	~~$31,075~~ $41,400
Academic broad scope - type A, B, or C (9 or more locations)	~~$36,254~~ $48,300
Medical broad scope - type A	~~$25,896~~ $34,500
Medical broad scope - type A (4-8 locations)	~~$31,075~~ $41,400
Medical broad scope - type A (9 or more locations)	~~$36,254~~ $48,300
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies	~~$4,784~~ $6,600
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (4-8 locations)	~~$5,740~~ $7,900
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (9 or more locations)	~~$6,697~~ $9,200
Teletherapy	~~$11,648~~ $15,500
Gamma knife	~~$11,648~~ $15,500
Veterinary medicine	~~$2,600~~ $3,500

	~~$2,600~~
In vitro testing lab	$3,500
	~~$11,440~~
Nuclear pharmacy	$15,300
	~~$13,728~~
Nuclear pharmacy (5 or more locations)	$18,300
	~~$4,992~~
Radiopharmaceutical distribution (10 CFR 32.72)	$6,700
	~~$11,440~~
Radiopharmaceutical processing and distribution (10 CFR 32.72)	$15,300
Radiopharmaceutical processing and distribution (10 CFR 32.72) (5 or more locations)	~~$13,728~~ $18,300
	~~$4,992~~
Medical sealed sources - distribution (10 CFR 32.74)	$6,700
Medical sealed sources - processing and distribution (10 CFR 32.74)	~~$11,440~~ $15,300
Medical sealed sources - processing and distribution (10 CFR 32.74) (5 or more locations)	~~$13,728~~ $18,300
	~~$4,888~~
Well logging - sealed sources	$6,600
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)	~~$2,600~~ $3,800
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (4-8 locations)	~~$3,120~~ $4,500
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (9 or more locations)	~~$3,640~~ $5,200
	~~$1,976~~
X-ray fluorescent analyzer	$2,700
	~~$25,896~~
Manufacturing and distribution - type A broad scope	$34,500
	~~$31,075~~
Manufacturing and distribution - type A broad scope (4-8 locations)	$41,400
Manufacturing and distribution - type A broad scope (9 or more locations)	~~$36,254~~ $48,300
	~~$22,880~~
Manufacturing and distribution - type B or C broad scope	$30,500
Manufacturing and distribution - type B or C broad scope (4-8 locations)	~~$27,456~~ $36,600
Manufacturing and distribution - type B or C broad scope (9 or more locations)	~~$32,032~~ $42,700
	~~$6,864~~
Manufacturing and distribution - other	$9,200

	~~$8,236~~
Manufacturing and distribution - other (4-8 locations)	$11,000
	~~$9,609~~
Manufacturing and distribution - other (9 or more locations)	$12,800
	~~$24,232~~
Nuclear laundry	$32,300
	~~$6,448~~
Decontamination services	$8,600
	~~$2,600~~
Leak test services only	$3,500
	~~$2,600~~
Instrument calibration service only	$3,500
	~~$6,448~~
Service, maintenance, installation, source changes, etc.	$8,600
	~~$7,800~~
Waste disposal service, prepackaged only	$10,400
	~~$10,816~~
Waste disposal	$14,400
	~~$2,288~~
Distribution - general licensed devices (sealed sources)	$3,100
	~~$1,456~~
Distribution - general licensed material (unsealed sources)	$2,000
	~~$12,792~~
Industrial radiography - fixed or temporary location	$17,200
Industrial radiography - fixed or temporary location (5 or more locations)	~~$16,629~~ $22,300
	~~$3,744~~
Irradiators, self-shielding	$5,000
	~~$6,968~~
Irradiators, other, less than 10,000 curies	$9,300
	~~$12,376~~
Research and development - type A, B, or C broad scope	$16,500
Research and development - type A, B, or C broad scope (4-8 locations)	~~$14,851~~ $19,800
Research and development - type A, B, or C broad scope (9 or more locations)	~~$17,326~~ $23,100
	~~$5,824~~
Research and development - other	$7,800
	~~$2,600~~
Storage - no operations	$3,500
	~~$759~~
Source material - shielding	$1,100

	~~$4,784~~
Special nuclear material plutonium - neutron source in device	$6,400
Pacemaker by-product and/or special nuclear material - medical (institution)	~~$4,784~~ $6,400
Pacemaker by-product and/or special nuclear material - manufacturing and distribution	~~$6,864~~ $9,200
	~~$4,992~~
Accelerator-produced radioactive material	$6,700
	~~$500~~
Nonprofit educational institutions	$700

Sec. 27. Minnesota Statutes 2024, section 144.1205, subdivision 4, is amended to read:

Subd. 4. **Initial and renewal application fee.** A licensee must pay an initial and a renewal application fee according to this subdivision.

TYPE	APPLICATION FEE
	~~$6,808~~
Academic broad scope - type A, B, or C	$9,100
	~~$4,508~~
Medical broad scope - type A	$6,000
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies	~~$1,748~~ $2,350
	~~$6,348~~
Teletherapy	$8,450
	~~$6,348~~
Gamma knife	$8,450
	~~$1,104~~
Veterinary medicine	$1,500
	~~$1,104~~
In vitro testing lab	$1,500
	~~$5,612~~
Nuclear pharmacy	$7,500
	~~$2,484~~
Radiopharmaceutical distribution (10 CFR 32.72)	$3,350
	~~$5,612~~
Radiopharmaceutical processing and distribution (10 CFR 32.72)	$7,500
	~~$2,484~~
Medical sealed sources - distribution (10 CFR 32.74)	$3,350
Medical sealed sources - processing and distribution (10 CFR 32.74)	~~$5,612~~ $7,500
	~~$1,840~~
Well logging - sealed sources	$2,450

Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)	~~$1,104~~ $1,500
X-ray fluorescent analyzer	~~$671~~ $900
Manufacturing and distribution - type A, B, and C broad scope	~~$6,854~~ $9,150
Manufacturing and distribution - other	~~$2,668~~ $3,550
Nuclear laundry	~~$11,592~~ $15,450
Decontamination services	~~$3,036~~ $4,050
Leak test services only	~~$1,104~~ $1,500
Instrument calibration service only	~~$1,104~~ $1,500
Service, maintenance, installation, source changes, etc.	~~$3,036~~ $4,050
Waste disposal service, prepackaged only	~~$2,576~~ $3,450
Waste disposal	~~$1,748~~ $2,350
Distribution - general licensed devices (sealed sources)	~~$1,012~~ $1,350
Distribution - general licensed material (unsealed sources)	~~$598~~ $800
Industrial radiography - fixed or temporary location	~~$3,036~~ $4,050
Irradiators, self-shielding	~~$1,656~~ $2,250
Irradiators, other, less than 10,000 curies	~~$3,404~~ $4,550
Research and development - type A, B, or C broad scope	~~$5,704~~ $7,600
Research and development - other	~~$2,760~~ $3,700
Storage - no operations	~~$1,104~~ $1,500
Source material - shielding	~~$156~~ $250
Special nuclear material plutonium - neutron source in device	~~$1,380~~ $1,850

Pacemaker by-product and/or special nuclear material - medical (institution)	~~$1,380~~ $1,850
Pacemaker by-product and/or special nuclear material - manufacturing and distribution	~~$2,668~~ $3,550
Accelerator-produced radioactive material	~~$4,715~~ $6,300
Nonprofit educational institutions	~~$345~~ $500

Sec. 28. Minnesota Statutes 2024, section 144.1205, subdivision 8, is amended to read:

Subd. 8. **Reciprocity fee.** A licensee submitting an application for reciprocal recognition of a materials license issued by another agreement state or the United States Nuclear Regulatory Commission for a period of 180 days or less during a calendar year must pay ~~$2,400~~ $3,200. For a period of 181 days or more, the licensee must obtain a license under subdivision 4.

Sec. 29. Minnesota Statutes 2024, section 144.1205, subdivision 9, is amended to read:

Subd. 9. **Fees for license amendments.** A licensee must pay a fee of ~~$600~~ $800 to amend a license as follows:

(1) to amend a license requiring review including, but not limited to, addition of isotopes, procedure changes, new authorized users, or a new radiation safety officer; or

(2) to amend a license requiring review and a site visit including, but not limited to, facility move or addition of processes.

Sec. 30. Minnesota Statutes 2024, section 144.1205, subdivision 10, is amended to read:

Subd. 10. **Fees for general license registrations.** A person required to register generally licensed devices according to Minnesota Rules, part 4731.3215, must pay an annual registration fee of ~~$450~~ $600.

Sec. 31. Minnesota Statutes 2024, section 144.121, subdivision 1a, is amended to read:

Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing radiation-producing equipment and other sources of ionizing radiation must pay an initial or annual renewal registration fee consisting of a base facility fee of ~~$100~~ $155 and an additional fee for each x-ray tube, as follows:

(1)medical or veterinary equipment	$ ~~100~~ 130
(2)dental x-ray equipment	$ ~~40~~ 60
(3)x-ray equipment not used on humans or animals	$ ~~100~~ 130

(4)devices with sources of ionizing radiation not used on humans or animals	$	~~100~~ 130
(5)security screening system	$	~~100~~ 160
(6)radiation therapy and accelerator x-ray equipment	$	1,000
(7)industrial accelerator x-ray equipment	$	300

~~(b) A facility with radiation therapy and accelerator equipment must pay an initial or annual registration fee of $500. A facility with an industrial accelerator must pay an initial or annual registration fee of $150.~~

~~(c)~~ (b) Electron microscopy equipment is exempt from the registration fee requirements of this section.

~~(d)~~ (c) For purposes of this section, a security screening system means ionizing radiation-producing equipment designed and used for security screening of humans who are in the custody of a correctional or detention facility, and used by the facility to image and identify contraband items concealed within or on all sides of a human body. For purposes of this section, a correctional or detention facility is a facility licensed under section 241.021 and operated by a state agency or political subdivision charged with detection, enforcement, or incarceration in respect to state criminal and traffic laws. The commissioner shall adopt rules to establish requirements for the use of security screening systems. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

Sec. 32. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 1e. **Fee for service provider of ionizing radiation-producing equipment.** A service provider of ionizing radiation-producing equipment and other sources of ionizing radiation must pay an initial or annual renewal fee of $115.

Sec. 33. Minnesota Statutes 2024, section 144.121, subdivision 2, is amended to read:

Subd. 2. **Inspections.** Periodic radiation safety inspections of the x-ray equipment and other sources of ionizing radiation shall be made by the commissioner of health. The frequency of safety inspections shall be prescribed by the commissioner ~~on the basis of~~ based on the ~~frequency of~~ radiation exposure risk to occupational and public health from use of ~~the~~ x-ray equipment and other source of ionizing radiation~~, provided that each source shall be inspected at least once every four years~~.

Sec. 34. Minnesota Statutes 2024, section 144.121, subdivision 5, is amended to read:

Subd. 5. **Examination for individual operating x-ray systems.** (a) An individual in a facility with x-ray systems for use on living humans that is registered under subdivision 1 may not operate, nor may the facility allow the individual to operate, x-ray systems unless the individual has passed a national or state examination.

(b) Individuals who may operate x-ray systems include:

(1) an individual who has passed the American Registry of Radiologic Technologists (ARRT) registry for radiography examination;

(2) an individual who has passed the American Chiropractic Registry of Radiologic Technologists (ACRRT) registry examination and is limited to radiography of spines and extremities;

(3) a registered limited scope x-ray operator and a registered bone densitometry equipment operator who passed the examination requirements in paragraphs (d) and (e) and practices according to subdivision 5a;

(4) an x-ray operator who has the original certificate or the original letter of passing the examination that was required before January 1, 2008, under Minnesota Statutes 2008, section 144.121, subdivision 5a, paragraph (b), clause (1);

(5) an individual who has passed the American Registry of Radiologic Technologists (ARRT) registry for radiation therapy examination according to subdivision 5e;

(6) a cardiovascular technologist according to subdivision 5c;

(7) a nuclear medicine technologist according to subdivision 5d;

(8) an individual who has passed the examination for a dental hygienist under section 150A.06 and only operates dental x-ray systems;

(9) an individual who has passed the examination for a dental therapist under section 150A.06 and only operates dental x-ray systems;

(10) an individual who has passed the examination for a dental assistant under section 150A.06 and only operates dental x-ray systems;

(11) an individual who has passed the examination under Minnesota Rules, part ~~3100.8500, subpart 3~~ 3100.1320, and only operates dental x-ray systems; and

(12) a qualified practitioner who is licensed by a health-related licensing board with active practice authority and is working within the practitioner's scope of practice.

(c) Except for individuals under clauses (3) and (4), an individual who is participating in a training or educational program in any of the occupations listed in paragraph (b) is exempt from the examination requirement within the scope and for the duration of the training or educational program.

(d) The Minnesota examination for limited scope x-ray operators must include:

(1) radiation protection, radiation physics and radiobiology, equipment operation and quality assurance, image acquisition and technical evaluation, and patient interactions and management; and

(2) at least one of the following regions of the human anatomy: chest, extremities, skull and sinus, spine, or podiatry. The examinations must include the anatomy of, and radiographic positions and projections for, the specific regions.

(e) The examination for bone densitometry equipment operators must include:

(1) osteoporosis, bone physiology, bone health and patient education, patient preparation, fundamental principals, biological effects of radiation, units of measurements, radiation protection in bone densitometry, fundamentals of x-ray production, quality control, measuring bone mineral testing, determining quality in bone mineral testing, file and database management; and

(2) dual x-ray absorptiometry scanning of the lumbar spine, proximal femur, and forearm. The examination must include the anatomy, scan acquisition, and scan analysis for these three procedures.

(f) A limited scope x-ray operator, and a bone densitometry equipment operator, who are required to take an examination under this subdivision must submit to the commissioner a registration application for the examination and a $25 processing fee. The processing fee shall be deposited in the state treasury and credited to the state government special revenue fund.

Sec. 35. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 10. **Service provider practice; service technician.** (a) A service technician is a service provider who performs one or more of the following, including but not limited to: assembly, installation, calibration, equipment performance evaluation, preventive maintenance, repair, replacement, or disabling of ionizing radiation-producing equipment and other sources of ionizing radiation. A service technician may not perform an equipment performance evaluation on computed tomography, medical cone beam computed tomography, and fluoroscopy equipment.

(b) In order to provide service technician services, a service provider must register with the commissioner as a service technician, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 36. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 11. **Service provider practice; vendor.** (a) A vendor is a service provider who performs one or more of the following services, including but not limited to: sales, leasing, lending, transferring, disposal, or demonstration of ionizing radiation-producing equipment and other sources of ionizing radiation.

(b) In order to provide vendor services, a service provider must register with the commissioner as a vendor, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 37. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 12. **Service provider practice; qualified medical physicist.** (a) A qualified medical physicist is a service provider who provides medical physics services and must be certified in diagnostic medical physics, diagnostic radiological physics, radiological physics, diagnostic imaging

physics, or diagnostic radiology physics by the American Board of Radiology, the American Board of Medical Physics, or the Canadian College of Physicists in Medicine.

(b) In order to provide medical physics services a service provider must register with the commissioner as a qualified medical physicist, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 38. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 13. **Service provider practice; qualified expert.** (a) A qualified expert is a service provider who provides expert physics services, and must be certified in the appropriate fields or specialties in which physics services are provided by the American Board of Health Physics, the American Board of Medical Physics, the American Board of Radiology, the American Board of Science in Nuclear Medicine, or the Canadian College of Physicists in Medicine.

(b) In order to provide health physics services, a service provider must register with the commissioner as a qualified expert, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 39. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 14. **Service provider practice; physicist assistant.** (a) A physicist assistant is a service provider who provides expert physics or medical physics services under the supervision of a qualified expert or a qualified medical physicist and must be deemed competent by a qualified expert or a qualified medical physicist in the appropriate fields or specialties in which services are provided.

(b) In order to provide health physics or medical physics services under the supervision of a qualified expert or a qualified medical physicist, a physicist assistant must register with the commissioner as a physicist assistant, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee under subdivision 1e.

(c) Supervision as used in this subdivision refers to either personal or general supervision of a physicist assistant by a qualified expert or a qualified medical physicist according to Minnesota Rules, chapter 4732.

Sec. 40. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 15. **Service provider compliance.** A service provider registered with the commissioner under Minnesota Rules, chapter 4732, must, upon renewal of registration, comply with the applicable requirements under this section and submit the fee under subdivision 1e.

Sec. 41. Minnesota Statutes 2024, section 144.1215, is amended by adding a subdivision to read:

Subd. 5. **Rulemaking authority.** The commissioner shall adopt rules to implement this section. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

Sec. 42. Minnesota Statutes 2024, section 144.1222, subdivision 1a, is amended to read:

Subd. 1a. **Fees.** All plans and specifications for public pool and spa construction, installation, or alteration or requests for a variance that are submitted to the commissioner according to Minnesota Rules, part 4717.3975, shall be accompanied by the appropriate fees. All public pool construction plans submitted for review after January 1, 2009, must be certified by a professional engineer registered in the state of Minnesota. If the commissioner determines, upon review of the plans, that inadequate fees were paid, the necessary additional fees shall be paid before plan approval. For purposes of determining fees, a project is defined as a proposal to construct or install a public pool, spa, special purpose pool, or wading pool and all associated water treatment equipment and drains, gutters, decks, water recreation features, spray pads, and those design and safety features that are within five feet of any pool or spa. Plans submitted less than 30 days prior to construction are subject to 50 percent of the original plan review fee. The commissioner shall charge the following fees for plan review and inspection of public pools and spas and for requests for variance from the public pool and spa rules:

(1) each pool, ~~$1,500~~ $1,600;

(2) each spa pool, ~~$800~~ $900;

(3) each slide, ~~$600~~ $650;

(4) projects valued at $250,000 or more, the greater of the sum of the fees in clauses (1), (2), and (3) or 0.5 percent of the documented estimated project cost to a maximum fee of $15,000;

(5) alterations to an existing pool without changing the size or configuration of the pool, ~~$600~~ $700;

(6) removal or replacement of pool disinfection equipment only, ~~$100~~ $200; and

(7) request for variance from the public pool and spa rules, ~~$500~~ $550.

Sec. 43. **[144.1223] REGISTERED SANITARIANS AND REGISTERED ENVIRONMENTAL HEALTH SPECIALIST APPLICATION FEES.**

(a) Fees to be submitted with initial or renewal applications are as follows:

(1) initial application fee, $55;

(2) biennial renewal application fee, $55; and

(3) penalty for late submission of renewal application, $20, if not renewed by designated renewal date.

(b) Additionally, a $5 technology fee must be paid with the initial registration or registration renewal.

Sec. 44. Minnesota Statutes 2024, section 144.125, subdivision 2, is amended to read:

Subd. 2. **Determination of tests to be administered.** (a) The commissioner shall periodically revise the list of tests to be administered for determining the presence of a heritable or congenital disorder. Revisions to the list shall reflect advances in medical science, new and improved testing

methods, or other factors that will improve the public health. In determining whether a test must be administered, the commissioner shall take into consideration the adequacy of analytical methods to detect the heritable or congenital disorder, the ability to treat or prevent medical conditions caused by the heritable or congenital disorder, and the severity of the medical conditions caused by the heritable or congenital disorder. The list of tests to be performed may be revised if the changes are recommended by the advisory committee established under section 144.1255, approved by the commissioner, and published in the State Register. The revision is exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply.

(b) The commissioner shall revise the list of tests to be administered for determining the presence of a heritable or congenital disorder to include metachromatic leukodystrophy (MLD).

Sec. 45. Minnesota Statutes 2024, section 144.3831, subdivision 1, is amended to read:

Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of ~~$9.72~~ $15.22 for every service connection to a public water supply that is owned or operated by a home rule charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02.

Sec. 46. Minnesota Statutes 2024, section 144.55, subdivision 1a, is amended to read:

Subd. 1a. **License fee.** The annual license fee for outpatient surgical centers is ~~$1,512~~ $1,966.

Sec. 47. Minnesota Statutes 2024, section 144.554, is amended to read:

144.554 HEALTH FACILITIES CONSTRUCTION PLAN SUBMITTAL AND FEES.

For hospitals, nursing homes, assisted living facilities, boarding care homes, residential hospices, supervised living facilities, freestanding outpatient surgical centers, and end-stage renal disease facilities, the commissioner shall collect a fee for the review and approval of architectural, mechanical, and electrical plans and specifications submitted before construction begins for each project relative to construction of new buildings, additions to existing buildings, or remodeling or alterations of existing buildings. All fees collected in this section shall be deposited in the state treasury and credited to the state government special revenue fund. Fees must be paid at the time of submission of final plans for review and are not refundable. The fee is calculated as follows:

Construction project total estimated cost	Fee
$0 - $10,000	~~$30~~ $45
$10,001 - $50,000	~~$150~~ $225
$50,001 - $100,000	~~$300~~ $450
$100,001 - $150,000	~~$450~~ $675
$150,001 - $200,000	~~$600~~ $900
$200,001 - $250,000	~~$750~~ $1,125
$250,001 - $300,000	~~$900~~ $1,350
$300,001 - $350,000	~~$1,050~~ $1,575
$350,001 - $400,000	~~$1,200~~ $1,800
$400,001 - $450,000	~~$1,350~~ $2,025

$450,001 - $500,000	~~$1,500~~ $2,250
$500,001 - $550,000	~~$1,650~~ $2,475
$550,001 - $600,000	~~$1,800~~ $2,700
$600,001 - $650,000	~~$1,950~~ $2,925
$650,001 - $700,000	~~$2,100~~ $3,150
$700,001 - $750,000	~~$2,250~~ $3,375
$750,001 - $800,000	~~$2,400~~ $3,600
$800,001 - $850,000	~~$2,550~~ $3,825
$850,001 - $900,000	~~$2,700~~ $4,050
$900,001 - $950,000	~~$2,850~~ $4,275
$950,001 - $1,000,000	~~$3,000~~ $4,500
$1,000,001 - $1,050,000	~~$3,150~~ $4,725
$1,050,001 - $1,100,000	~~$3,300~~ $4,950
$1,100,001 - $1,150,000	~~$3,450~~ $5,175
$1,150,001 - $1,200,000	~~$3,600~~ $5,400
$1,200,001 - $1,250,000	~~$3,750~~ $5,625
$1,250,001 - $1,300,000	~~$3,900~~ $5,850
$1,300,001 - $1,350,000	~~$4,050~~ $6,075
$1,350,001 - $1,400,000	~~$4,200~~ $6,300
$1,400,001 - $1,450,000	~~$4,350~~ $6,525
$1,450,001 - $1,500,000	~~$4,500~~ $6,750
$1,500,001 ~~and over~~ - $2,000,000	~~$4,800~~ $7,200
$2,000,001 - $3,000,000	$7,650
$3,000,001 - $4,000,000	$8,100
$4,000,001 - $7,000,000	$8,550
$7,000,001 - $15,000,000	$9,000
$15,000,001 - $50,000,000	$9,450
$50,000,001 and over	$9,900

Sec. 48. Minnesota Statutes 2024, section 144.562, subdivision 2, is amended to read:

Subd. 2. **Eligibility for license condition.** (a) A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and the available nursing homes within 50 miles have had, in the aggregate, an average occupancy rate of 96 percent or higher in the most recent two years as documented on the statistical reports to the Department of Health; and (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66.

(b) Except for those critical access hospitals established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that

have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, eligible hospitals are allowed a total number of days of swing bed use per year as provided in paragraph (c). Critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, are allowed swing bed use as provided in federal law. A critical access hospital described in section 144.5621 is allowed an unlimited number of days of swing bed use per year.

(c) An eligible hospital is allowed a total of 3,000 days of swing bed use in calendar year 2020. Beginning in calendar year 2021, and for each subsequent calendar year until calendar year 2027, the total number of days of swing bed use per year is increased by 200 swing bed use days. Beginning in calendar year 2028, an eligible hospital is allowed a total of 4,500 days of swing bed use per year.

(d) Days of swing bed use for medical care that an eligible hospital has determined are charity care shall not count toward the applicable limit in paragraph (b) or (c). For purposes of this paragraph, "charity care" means care that an eligible hospital provided for free or at a discount to persons who cannot afford to pay and for which the eligible hospital did not expect payment.

(e) Days of swing bed use for care of a person who has been denied admission to every Medicare-certified skilled nursing facility within 25 miles of the eligible hospital shall not count toward the applicable limit in paragraphs (b) and (c). Eligible hospitals must maintain documentation that they have contacted each skilled nursing facility within 25 miles to determine if any skilled nursing facility beds are available and if the skilled nursing facilities are willing to admit the patient. Skilled nursing facilities that are contacted must admit the patient or deny admission within 24 hours of being contacted by the eligible hospital. Failure to respond within 24 hours is deemed a denial of admission.

~~(f) Except for critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, the commissioner of health may approve swing bed use beyond 2,000 days as long as there are no Medicare certified skilled nursing facility beds available within 25 miles of that hospital that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. Critical access hospitals exceeding 2,000 swing bed days must maintain documentation that they have contacted skilled nursing facilities within 25 miles to determine if any skilled nursing facility beds are available that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. This paragraph expires January 1, 2020.~~

~~(g) After reaching 2,000 days of swing bed use in a year, an eligible hospital to which this limit applies may admit six additional patients to swing beds each year without seeking approval from the commissioner or being in violation of this subdivision. These six swing bed admissions are exempt from the limit of 2,000 annual swing bed days for hospitals subject to this limit. This paragraph expires January 1, 2020.~~

~~(h) A health care system that is in full compliance with this subdivision may allocate its total limit of swing bed days among the hospitals within the system, provided that no hospital in the system without an attached nursing home may exceed 2,000 swing bed days per year. This paragraph expires January 1, 2020.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 49. Minnesota Statutes 2024, section 144.562, subdivision 3, is amended to read:

Subd. 3. **Approval of license condition.** (a) The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision.

(b) The hospital must meet the eligibility criteria in subdivision 2.

(c) The hospital must be in compliance with the Medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 482.66.

(d) Except as provided in section 144.5621, the hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of Medicare eligibility, unless the commissioner of health approves a greater length of stay in an emergency situation. To determine whether an emergency situation exists, the commissioner shall require the hospital to provide documentation that continued services in the swing bed are required by the patient; that no skilled nursing facility beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, that can provide the appropriate level of services required by the patient; and that other alternative services are not available to meet the needs of the patient. If the commissioner approves a greater length of stay, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services that meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least ten days prior to the end of the maximum length of stay.

(e) Except as provided in section 144.5621, the hospital must agree, in writing, to limit admission to a swing bed only to (1) patients who have been hospitalized and not yet discharged from the facility, or (2) patients who are transferred directly from an acute care hospital.

(f) The hospital must agree, in writing, to report to the commissioner of health by December 1, 1985, and annually thereafter, in a manner required by the commissioner (1) the number of patients readmitted to a swing bed within 60 days of a patient's discharge from the facility, (2) the hospital's charges for care in a swing bed during the reporting period with a description of the care provided for the rate charged, and (3) the number of beds used by the hospital for transitional care and similar subacute inpatient care.

(g) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and discharges from swing beds, Medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 50. **[144.5621] SWING BED APPROVAL; EXCEPTIONS.**

The conditions and limitations in section 144.562, paragraphs (d) and (e), do not apply to any hospital located in Cook County that:

(1) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; and

(2) has an attached nursing home.

Any swing bed located in a hospital described in this section may be used to provide nursing care without requiring a prior hospital stay. The nursing care provided to a patient in a swing bed is a covered medical assistance service under section 256B.0625, subdivision 2b.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 51. Minnesota Statutes 2024, section 144.563, is amended to read:

144.563 NURSING SERVICES PROVIDED IN A HOSPITAL; PROHIBITED PRACTICES.

A hospital that has been granted a license condition under section 144.562 or 144.5621 must not provide to patients not reimbursed by Medicare or medical assistance the types of services that would be usually and customarily provided and reimbursed under medical assistance or Medicare as services of a skilled nursing facility or intermediate care facility for more than 42 days and only for patients who have been hospitalized and no longer require an acute level of care. Permission to extend a patient's length of stay may be granted by the commissioner if requested by the physician at least ten days prior to the end of the maximum length of stay.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 52. Minnesota Statutes 2024, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO AMBULANCE SERVICES FOR ~~VOLUNTEER~~ EDUCATION COSTS.

Subdivision 1. **~~Repayment for volunteer~~ Reimbursement for education costs; ambulance service eligibility.** ~~A licensed ambulance service shall be reimbursed by the director for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the director, pursuant to section 144E.285~~ (a) Except as provided in subdivision 3, the director must reimburse all eligible Minnesota licensed ambulance services that apply for reimbursement under this section for the necessary expenses of initial EMR and EMT education and EMR and EMT continuing education for ambulance attendants who satisfy the criteria in subdivision 2. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a ~~volunteer~~ licensed ambulance ~~attendant~~ service be reimbursed more than ~~$900~~:

(1) $1,200 for an ambulance attendant's successful completion of an initial EMT education course~~, and $375~~;

(2) $400 for an ambulance attendant's successful completion of ~~a~~ an EMT continuing education course;

(3) $600 for an ambulance attendant's successful completion of an initial EMR education course; and

(4) $200 for an ambulance attendant's successful completion of an EMR continuing education course.

(b) To be eligible for reimbursement, a licensed ambulance service must have responded to 5,000 or fewer calls in the most recent calendar year.

Subd. 2. ~~**Reimbursement provisions**~~ **Ambulance attendant criteria.** Reimbursement must be paid under ~~provisions of~~ this section when documentation is provided to the director that the ~~individual~~ ambulance attendant:

(1) successfully completed an initial EMR or EMT education course approved by the director under section 144E.285, a continuing education course for EMR or EMT care approved by the director under section 144E.285, or both; and

(2) has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Subd. 3. **Discontinuance of reimbursement.** If the state is unable to meet its financial obligations under subdivision 1 as the obligations become due, the director must discontinue reimbursing ambulance services for education costs until the state is again able to meet the financial obligations under subdivision 1 as the obligations become due. An ambulance service whose application is not approved due to lack of funding may resubmit the application in the next fiscal year.

Sec. 53. **[144E.38] AMBULANCE SERVICE TRAINING AND STAFFING GRANT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "employee" has the meaning given in section 181.960, subdivision 2.

Subd. 2. **Grant program.** The director must establish and administer a program to award grants to eligible ambulance services for certain costs to train ambulance service employees as emergency medical technicians and staff the ambulance service.

Subd. 3. **Eligible ambulance services.** To be eligible for a grant under this section, an ambulance service must:

(1) be licensed under this chapter; and

(2) in the calendar year prior to the year in which the ambulance service first applies for a grant under this section, have had at least 50 percent of its staffing provided by emergency medical technicians.

Subd. 4. **Application.** An eligible ambulance service seeking a grant under this section must apply to the director in a form and manner and according to a timeline specified by the director. In its application, the eligible ambulance service must specify the number of individuals it plans to hire using the grant money, the number of employee training hours it plans to fund using the grant money, and other information required by the director.

Subd. 5. **Allowable uses of grant money; maximum grant amount.** (a) An ambulance service must use grant money awarded under this section only for one or more of the following:

(1) tuition for employees attending an emergency medical technician (EMT) education program approved by the director;

(2) employee examination fees for EMT certification;

(3) fees for background studies for new EMT employees; and

(4) incurred wage and benefit costs of employees while attending an EMT education program or program-related activities. Wage and benefit costs under this clause must be commensurate with the wages and benefits the ambulance service provides to an entry-level EMT and must not exceed $26 per hour.

(b) The grant amount awarded to an ambulance service must not exceed the amount needed for the costs in paragraph (a).

Subd. 6. **Grant program oversight.** An ambulance service receiving a grant under this section must provide the director with information necessary for the director to administer and evaluate the grant program.

Subd. 7. **Reporting to municipalities.** (a) In order to be eligible to receive a grant under this section, an ambulance service must collect and provide prehospital care data for all emergency responses provided by the licensee within the boundaries of each municipality in the licensee's primary service area. For purposes of this subdivision, "municipality" means a city or town.

(b) A licensee must collect and report the following prehospital care data items as provided in paragraph (a):

(1) total number of emergency ambulance calls;

(2) dispatch reason;

(3) type of emergency service requested for each emergency ambulance call;

(4) response mode to scene;

(5) fee schedule for service;

(6) percent transport disposition;

(7) transport destination;

(8) unit hour utilization by service area; and

(9) mutual aid given and received by municipality.

(c) A licensee must provide the report of prehospital care data of all data items listed in paragraph (b) to the governing body of the municipality by February 15 of each year.

Sec. 54. Minnesota Statutes 2024, section 144G.45, subdivision 6, is amended to read:

Subd. 6. **New construction; plans.** (a) For all new licensure and construction beginning on or after August 1, 2021, the following must be provided to the commissioner:

(1) architectural and engineering plans and specifications for new construction must be prepared and signed by architects and engineers who are registered in Minnesota. Final working drawings and specifications for proposed construction must be submitted to the commissioner for review and approval;

(2) final architectural plans and specifications must include elevations and sections through the building showing types of construction, and must indicate dimensions and assignments of rooms and areas, room finishes, door types and hardware, elevations and details of nurses' work areas, utility rooms, toilet and bathing areas, and large-scale layouts of dietary and laundry areas. Plans must show the location of fixed equipment and sections and details of elevators, chutes, and other conveying systems. Fire walls and smoke partitions must be indicated. The roof plan must show all mechanical installations. The site plan must indicate the proposed and existing buildings, topography, roadways, walks and utility service lines; and

(3) final mechanical and electrical plans and specifications must address the complete layout and type of all installations, systems, and equipment to be provided. Heating plans must include heating elements, piping, thermostatic controls, pumps, tanks, heat exchangers, boilers, breeching, and accessories. Ventilation plans must include room air quantities, ducts, fire and smoke dampers, exhaust fans, humidifiers, and air handling units. Plumbing plans must include the fixtures and equipment fixture schedule; water supply and circulating piping, pumps, tanks, riser diagrams, and building drains; the size, location, and elevation of water and sewer services; and the building fire protection systems. Electrical plans must include fixtures and equipment, receptacles, switches, power outlets, circuits, power and light panels, transformers, and service feeders. Plans must show location of nurse call signals, cable lines, fire alarm stations, and fire detectors and emergency lighting.

(b) Unless construction is begun within one year after approval of the final working drawing and specifications, the drawings must be resubmitted for review and approval.

(c) The commissioner must be notified within 30 days before completion of construction so that the commissioner can make arrangements for a final inspection by the commissioner.

(d) At least one set of complete life safety plans, including changes resulting from remodeling or alterations, must be kept on file in the facility.

(e) For new construction beginning on or after July 1, 2025, the licensee must comply with section 144.554 to submit applicable construction plans and fees to the commissioner.

Sec. 55. **[145.9231] EPILEPSY AND RELATED SEIZURE DISORDERS; DATA COLLECTION AND STATE COORDINATION PLAN.**

Subdivision 1. **Data collection.** The commissioner of health must collect, analyze, and report data on epilepsy and related seizure disorders in Minnesota. The data must include number of diagnoses, clinical outcomes, mortality rates, and related population health data for each calendar year. De-identified data must be made publicly available.

Subd. 2. **State coordination plan.** The commissioner of health must use the data on epilepsy and seizure disorders to inform statewide efforts and build coordinated systems and partnerships to support community-led and culturally responsive strategies to ensure that Minnesotans at risk for or living with epilepsy and seizure disorders and their caregivers have equitable access to opportunities and resources to support their well-being and quality of life. The commissioner of health must evaluate the data to determine the effectiveness of the strategies.

Sec. 56. Minnesota Statutes 2024, section 157.16, subdivision 2, is amended to read:

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~$60~~ $100 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of ~~$120~~ $200 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of ~~$360~~ $450 shall be added to the license fee for establishments operating more than 30 days without a license.

Sec. 57. Minnesota Statutes 2024, section 157.16, subdivision 2a, is amended to read:

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a ~~$35~~ $45 nonrefundable certification fee payable to the Department of Health. The commissioner shall issue a duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant submits a completed application on a form provided by the commissioner for a duplicate certificate and pays ~~$20~~ $25 to the department for the cost of duplication. In addition, a $5 technology fee must be paid with the initial certification, certification renewal, or duplicate certificate application.

Sec. 58. Minnesota Statutes 2024, section 157.16, subdivision 3, is amended to read:

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators

opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All food and beverage service establishments, except special event food stands, and all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of ~~$165~~ $300.

(c) A special event food stand shall pay a flat fee of ~~$55~~ $75 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

(d) In addition to the base fee in paragraph (b), each food and beverage service establishment, other than a special event food stand and a school concession stand, and each hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual fee for each fee category, additional food service, or required additional inspection specified in this paragraph:

(1) Category 1 establishment, ~~$110~~ $185. "Category 1 establishment" means a fee category that provides one or more of the following items or is one of the listed establishments or facilities:

(i) serves prepackaged food that is served in the package;

(ii) serves a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

(iii) serves soft drinks, coffee, or nonalcoholic beverages;

(iv) provides cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off site;

(v) a food establishment where the method of food preparation meets the definition of a low-risk establishment in section 157.20; or

(vi) operates as a child care facility licensed under section 142B.05 and Minnesota Rules, chapter 9503.

(2) Category 2 establishment, ~~$245~~ $430. "Category 2 establishment" means an establishment that is not a Category 1 establishment and is either:

(i) a food establishment where the method of food preparation meets the definition of a medium-risk establishment in section 157.20; or

(ii) an elementary or secondary school as defined in section 120A.05.

(3) Category 3 establishment, ~~$385~~ $670. "Category 3 establishment" means an establishment that is not a Category 1 or Category 2 establishment and is either:

(i) a food establishment where the method of food preparation meets the definition of a high-risk establishment in section 157.20; or

(ii) an establishment where 500 or more meals are prepared per day and served at one or more separate locations.

(4) Other food and beverage service, including food carts, mobile food units, seasonal temporary food stands, and seasonal permanent food stands, ~~$85~~ $150.

(5) Lodging per sleeping accommodation unit, ~~$11~~ $15, including hotels, motels, lodging establishments, and resorts, up to a maximum of ~~$1,100~~ $1,500. "Lodging per sleeping accommodation unit" means a fee category including the number of guest rooms, cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the number of beds in a dormitory.

(6) First public pool, ~~$355~~ $455; each additional public pool, ~~$200~~ $300. "Public pool" means a fee category that has the meaning given in section 144.1222, subdivision 4.

(7) First spa, ~~$200~~ $300; each additional spa, ~~$110~~ $200. "Spa pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

(8) Private sewer or water, ~~$60~~ $85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.

(9) Additional food service, ~~$175~~ $250. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve beverages or food to the public. Additional food service does not apply to school concession stands.

(10) Additional inspection fee, ~~$250~~ $350. "Additional inspection fee" means a fee to conduct the second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.

(11) HACCP verification, ~~$175~~ $225. "HACCP verification" means an annual fee category for a business that performs one or more specialized process that requires an HACCP plan as required in chapter 31 and Minnesota Rules, chapter 4626.

(e) A fee for review of construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units. Plans submitted less than 30 days prior to construction are subject to 50 percent of the original plan review fee. A fee for review of an HACCP plan for specialized processing must be submitted and approved prior to preparing and serving the specialized processed food for human consumption. The fees for construction plan reviews and HACCP plan reviews are as follows:

Service Area	**Type**	**Fee**
Food	category 1 establishment	~~$400~~ $550
	category 2 establishment	~~$450~~ $750
	category 3 food establishment	~~$500~~ $800
	additional food service	~~$250~~ $400
	HACCP Plan Review	~~$500~~ $600
Transient food service	food cart	~~$250~~ $500
	seasonal permanent food stand	~~$250~~ $500
	seasonal temporary food stand	~~$250~~ $500

	mobile food unit	~~$350~~ $700
Lodging	less than 25 rooms	~~$375~~ $450
	25 to less than 100 rooms	~~$400~~ $500
	100 rooms or more	~~$500~~ $600
	less than five cabins	~~$350~~ $400
	five to less than ten cabins	~~$400~~ $450
	ten cabins or more	~~$450~~ $500

(f) When existing food and beverage service establishments, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units are extensively remodeled, a fee must be submitted with the remodeling plans. The fee for this construction plan review is as follows:

Service Area	**Type**	**Fee**
Food	category 1 establishment	~~$300~~ $450
	category 2 establishment	~~$350~~ $500
	category 3 establishment	~~$400~~ $550
	additional food service	~~$250~~ $400
Transient food service	food cart	~~$250~~ $400
	seasonal permanent food stand	~~$250~~ $400
	seasonal temporary food stand	~~$250~~ $400
	mobile food unit	~~$250~~ $400
Lodging	less than 25 rooms	~~$250~~ $300
	25 to less than 100 rooms	~~$300~~ $350
	100 rooms or more	~~$450~~ $500
	less than five cabins	~~$250~~ $300
	five to less than ten cabins	~~$350~~ $400
	ten cabins or more	~~$400~~ $450

(g) Special event food stands are not required to submit construction or remodeling plans for review.

(h) Youth camps shall pay an annual single fee for food and lodging as follows:

(1) camps with up to 99 campers, ~~$325~~ $375;

(2) camps with 100 to 199 campers, ~~$550~~ $600; and

(3) camps with 200 or more campers, ~~$750~~ $800.

(i) A youth camp which pays fees under paragraph (d) is not required to pay fees under paragraph (h).

Sec. 59. Minnesota Statutes 2024, section 157.16, subdivision 3a, is amended to read:

Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a licensed boarding establishment, food and beverage service establishment, seasonal temporary or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the commissioner a ~~$40~~ $50 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed by the Department of Health is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee is due by July 1 of each year.

Sec. 60. Minnesota Statutes 2024, section 157.16, is amended by adding a subdivision to read:

Subd. 3b. **Technology fee.** Every food and beverage service establishment, youth camp, hotel, motel, lodging establishment, public pool, and resort licensed under this chapter must pay a $5 technology fee for each licensed activity for the initial license and with each renewal.

Sec. 61. Minnesota Statutes 2024, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. **Skilled and intermediate nursing care.** ~~(a)~~ Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. ~~Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.~~

~~(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 62. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 2b. **Nursing care provided to a patient in a swing bed.** (a) Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless:

(1) the facility where the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds;

(2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments;

(3) the patient was screened as provided by law;

(4) the patient no longer requires acute care services; and

(5) no nursing home beds are available within 25 miles of the facility.

(b) The commissioner shall exempt a facility from compliance with the sole community provider requirement in paragraph (a), clause (1), if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.

(c) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if:

(1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family;

(2) no open nursing home beds are available within 25 miles of the facility; and

(3) no open beds are available in any Medicare hospice program within 50 miles of the facility.

(d) The commissioner shall exempt any facility described under section 144.5621 from compliance with the requirements of paragraph (a), clauses (3) and (5), and paragraph (c), and medical assistance covers an unlimited number of days of nursing care provided to a patient in a swing bed at a facility described under section 144.5621.

(e) The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 63. Minnesota Statutes 2024, section 256R.01, is amended by adding a subdivision to read:

Subd. 1a. **Payment rates for nursing care provided to a patient in a swing bed.** Payment rates paid to any hospital for nursing care provided to a patient in a swing bed must be those rates established pursuant to section 256B.0625, subdivision 2b.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 64. Minnesota Statutes 2024, section 326.72, subdivision 1, is amended to read:

Subdivision 1. **When license required.** ~~A person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued.~~

~~The domiciled owner of a single family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.~~

Any person performing any asbestos-related work within the state must be licensed by the commissioner, whether directly performing asbestos work or causing it to be performed through subcontracting or similar delegation. A domiciled owner of a single-family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.

Sec. 65. Minnesota Statutes 2024, section 326.75, subdivision 3, is amended to read:

Subd. 3. **Permit fee.** Five calendar days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to ~~two~~ three percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of $35 to the commissioner.

Sec. 66. Minnesota Statutes 2024, section 326.75, subdivision 3a, is amended to read:

Subd. 3a. **Asbestos-related training course permit fee.** ~~The commissioner shall establish by rule a permit fee to be paid by~~ A training course provider shall pay the commissioner a fee of $500 on application for a training course permit ~~or~~ and $250 for the renewal of a permit of each asbestos-related training course required for certification or registration.

Sec. 67. Minnesota Statutes 2024, section 327.15, subdivision 3, is amended to read:

Subd. 3. **Fees, manufactured home parks and recreational camping areas.** (a) The following fees are required for manufactured home parks and recreational camping areas licensed under this chapter. Fees collected under this section shall be deposited in the state government special revenue fund. Recreational camping areas and manufactured home parks shall pay the highest applicable base fee under paragraph (b). The license fee for new operators of a manufactured home park or recreational camping area previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All manufactured home parks and recreational camping areas shall pay the following annual base fee:

(1) a manufactured home park, ~~$165~~ $280; and

(2) a recreational camping area with:

(i) 24 or less sites, ~~$55~~ $100;

(ii) 25 to 99 sites, ~~$230~~ $410; and

(iii) 100 or more sites, ~~$330~~ $610.

In addition to the base fee, manufactured home parks and recreational camping areas shall pay ~~$5~~ $8 for each licensed site. This paragraph does not apply to special event recreational camping areas. Operators of a manufactured home park or a recreational camping area also licensed under section 157.16 for the same location shall pay only one base fee, whichever is the highest of the base fees found in this section or section 157.16.

(c) In addition to the fee in paragraph (b), each manufactured home park or recreational camping area shall pay an additional annual fee for each fee category specified in this paragraph:

(1) Manufactured home parks and recreational camping areas with public swimming pools and spas shall pay the appropriate fees specified in section 157.16.

(2) Individual private sewer or water, ~~$60~~ $85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with a subsurface sewage treatment system which uses subsurface treatment and disposal.

(d) The following fees must accompany a plan review application for initial construction of a manufactured home park or recreational camping area:

(1) for initial construction of less than 25 sites, ~~$375~~ $400;

(2) for initial construction of 25 to 99 sites, ~~$400~~ $425; and

(3) for initial construction of 100 or more sites, ~~$500~~ $525.

(e) The following fees must accompany a plan review application when an existing manufactured home park or recreational camping area is expanded:

(1) for expansion of less than 25 sites, ~~$250~~ $300;

(2) for expansion of 25 to 99 sites, ~~$300~~ $350; and

(3) for expansion of 100 or more sites, ~~$450~~ $500.

Sec. 68. Minnesota Statutes 2024, section 327.15, subdivision 4, is amended to read:

Subd. 4. **Fees, special event recreational camping areas.** (a) The following fees are required for special event recreational camping areas licensed under this chapter.

(b) All special event recreational camping areas shall pay an annual fee of ~~$150~~ $250 plus ~~$1~~ $4 for each licensed site.

(c) A special event recreational camping area shall pay a late fee of ~~$360~~ $450 for failing to obtain a license prior to operating.

(d) The following fees must accompany a plan review application for initial construction of a special event recreational camping area:

(1) for initial construction of less than 25 special event recreational camping sites, ~~$375~~ $475;

(2) for initial construction of 25 to 99 sites, ~~$400~~ $500; and

(3) for initial construction of 100 or more sites, ~~$500~~ $600.

(e) The following fees must accompany a plan review application for expansion of a special event recreational camping area:

(1) for expansion of less than 25 sites, ~~$250~~ $300;

(2) for expansion of 25 to 99 sites, ~~$300~~ $350; and

(3) for expansion of 100 or more sites, ~~$450~~ $500.

Sec. 69. Minnesota Statutes 2024, section 327.15, is amended by adding a subdivision to read:

Subd. 5. **Technology fee.** All manufactured home parks, recreational camping areas, and special event camping areas must pay a $5 technology fee at initial licensing and upon each renewal.

Sec. 70. **SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORK GROUP.**

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

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

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

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

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

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

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

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

(3) one member representing a health plan company;

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

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

(6) one member representing the Department of Health;

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

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

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

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

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

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

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

(3) reimbursing spoken language health care interpreting;

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

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

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

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

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

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

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

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

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

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

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

Sec. 71. **AFRICAN AMERICAN-FOCUSED HOMEPLACE GRANT PROGRAM.**

(a) The commissioner of health must establish a grant program to strengthen and implement the current model of the African American-focused Homeplace in Hennepin County. The purpose of the model is to improve access to culturally centered healing and care during pregnancy and the postpartum period, with the goal of improving maternal and child health outcomes.

(b) By December 15, 2026, the grantee must submit a report to the commissioner of health on the implementation and progress of Homeplace in Hennepin County. The report must outline outcomes achieved and recommendations for future funding and program expansion.

Sec. 72. **RULEMAKING.**

The Department of Health must adopt rules using the expedited process under Minnesota Statutes, section 14.389, to amend certain parts in Minnesota Rules, chapter 4695, to conform with the changes made in this act.

Sec. 73. **REPEALER.**

(a) Minnesota Statutes 2024, sections 62J.824; and 103I.550, are repealed.

(b) Minnesota Rules, part 4695.2900, is repealed.

ARTICLE 2

DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 62J.461, subdivision 3, is amended to read:

Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered entity shall report to the commissioner by April 1 of each year the following information for transactions conducted by the 340B covered entity or on its behalf, and related to its participation in the federal 340B program for the previous calendar year:

(1) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(2) the aggregated payment amount received for drugs obtained under the 340B program and dispensed or administered to patients~~;~~:

(i) that are net of the contracted price for insurance claims payments; and

(ii) that reflect the portion of payment received from grants, cash, or other payment types that relate to the dispensing or administering of drugs obtained under the 340B program;

(3) the number of pricing units dispensed or administered for prescription drugs described in clause (2); and

(4) the aggregated payments made:

(i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for ~~all~~ other internal, direct expenses related to administering the 340B program with a detailed description of the direct costs included.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 2. Minnesota Statutes 2024, section 62J.461, subdivision 4, is amended to read:

Subd. 4. **Enforcement and exceptions.** (a) Any ~~health care~~ covered entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to the levy of a fine ~~paid to the commissioner~~ of up to $500 for each day the data are past due. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 ~~and~~ to 14.69.

(b) The commissioner may grant an entity an extension of or exemption from the reporting obligations under this ~~subdivision~~ section, upon a showing of good cause by the entity.

Sec. 3. Minnesota Statutes 2024, section 62J.461, subdivision 5, is amended to read:

Subd. 5. **Reports to the legislature.** By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). ~~The following information must be included in the report~~ For all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota, the following information must also be included in the report:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

Sec. 4. Minnesota Statutes 2024, section 62J.51, subdivision 19a, is amended to read:

Subd. 19a. **Uniform explanation of benefits ~~document~~.** "Uniform explanation of benefits ~~document~~" means either the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered or its electronic equivalent under section 62J.581, which is sent to a patient.

Sec. 5. Minnesota Statutes 2024, section 62J.581, is amended to read:

62J.581 STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.

Subdivision 1. **Minnesota uniform remittance advice.** All group purchasers shall provide a uniform claim payment/advice transaction to health care providers when a claim is adjudicated. The uniform claim payment/advice transaction shall comply with section 62J.536, subdivision 1, paragraph (b), and rules adopted under section 62J.536, subdivision 2.

Subd. 2. **Minnesota uniform explanation of benefits ~~document.~~** (a) All group purchasers shall provide a uniform explanation of benefits ~~document~~ to health care patients when an explanation of benefits ~~document~~ is provided as otherwise required or permitted by law. The uniform explanation of benefits ~~document~~ shall comply with the standards prescribed in this section.

(b) Notwithstanding paragraph (a), this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the regulations promulgated under those sections.

Subd. 3. **Scope.** For purposes of sections 62J.50 to 62J.61, the ~~uniform claim payment/advice transaction and~~ uniform explanation of benefits ~~document~~ format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in ~~subdivisions 1 and~~ subdivision 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. **Specifications.** (a) The uniform explanation of benefits ~~document~~ shall be provided by use of a paper document conforming to the specifications in this section or its electronic equivalent under paragraph (b).

(b) Group purchasers may make the uniform explanation of benefits available in a version that can be accessed by health care patients electronically if:

(1) the group purchaser making the uniform explanation of benefits available electronically provides health care patients the ability to choose whether to receive paper, electronic, or both paper and electronic versions of their uniform explanation of benefits;

(2) the group purchaser provides clear, readily accessible information and instructions for the patient to communicate their choice; and

(3) health care patients not responding to the opportunity to make a choice will receive at a minimum a paper uniform explanation of benefits.

(c) The commissioner, after consulting with the Administrative Uniformity Committee, shall specify the data elements and definitions for the paper uniform explanation of benefits ~~document~~. ~~The commissioner and the Administrative Uniformity Committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document for the uniform explanation of benefits document or the uniform claim payment/advice transaction for dental care services.~~ Any electronic version of the uniform explanation

of benefits must use the same data elements and definitions as the paper uniform explanation of benefits.

~~Subd. 5. **Effective date.** The requirements in subdivisions 1 and 2 are effective June 30, 2007. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.~~

Sec. 6. Minnesota Statutes 2024, section 62J.84, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 42, section 262(a)(c).

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

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration (FDA) for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(k) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

(l) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

(m) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

~~(n) "Individual salable unit" means the smallest container of product introduced into commerce by the manufacturer or repackager that is intended by the manufacturer or repackager for individual sale to a dispenser.~~

~~(o)~~ (n) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

~~(p)~~ (o) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy by the Board of Pharmacy under section 151.19.

~~(q)~~ (p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

~~(r)~~ (q) "Pricing unit" means the smallest dispensable amount of a prescription drug product that could be dispensed or administered.

~~(s)~~ (r) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations, including reconciliations that also reflect other contractual arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as defined in Code of Federal Regulations, title 42, section 447.502.

~~(t)~~ (s) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

~~(u)~~ (t) "Wholesale drug distributor" or "wholesaler" means an entity that~~:~~

~~(1)~~ is licensed to act as a wholesale drug distributor under section 151.47~~; and~~.

~~(2) distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state.~~

Sec. 7. Minnesota Statutes 2024, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was $100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description and price of the drug and the net increase, expressed as a percentage, with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the year the prescription drug was introduced for sale in the United States;

~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase;

~~(5)~~ (6) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(7) the number of units of the prescription drug sold during the previous 12-month period;

~~(6)~~ (8) the total sales revenue for the prescription drug during the previous 12-month period;

(9) the total rebate payable amount accrued for the prescription drug during the previous 12-month period;

~~(7)~~ (10) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

~~(8)~~ (11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

~~(9)~~ (12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

~~(10)~~ (13) the patent expiration date of the prescription drug if it is under patent;

~~(11)~~ (14) the name and location of the company that manufactured the drug;

~~(12)~~ (15) if a brand name prescription drug, the highest price paid for the prescription drug during the previous calendar year in the ten countries, excluding the United States, that charged the highest single price for the prescription drug; and

~~(13)~~ (16) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 8. Minnesota Statutes 2024, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and 11 to 14 and the manufacturers of those prescription drugs; ~~and~~

(2) a list of reporting entities that reported prescription drug price information under subdivisions 3, 4, and 11 to 14; and

~~(2)~~ (3) information reported to the commissioner under subdivisions 3, 4, and 11 to 14, aggregated on a per-drug basis in a manner that does not allow the identification of a reporting entity that is not the manufacturer of the drug.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a reporting entity believes information should be withheld from public disclosure pursuant to this paragraph, the reporting entity must clearly and specifically identify that information and describe the legal basis in writing when the reporting entity submits the information under this section. If the commissioner disagrees with the reporting entity's request to withhold information from public disclosure, the commissioner shall provide the reporting entity written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 9. Minnesota Statutes 2024, section 62J.84, subdivision 10, is amended to read:

Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the commissioner determines to represent a substantial public interest and for which the commissioner intends to request data under subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion of prescription drugs on any information the commissioner determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the commissioner shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or

(3) that are identified by members of the public during a public comment process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of:

(1) the requirement to report under subdivisions 11 to 14.; and

(2) the reporting period for which data must be provided.

(c) The commissioner must not designate more than 500 prescription drugs as having a substantial public interest in any one notice.

(d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14, including section 14.386, in implementing this subdivision.

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

Sec. 10. Minnesota Statutes 2024, section 62J.84, subdivision 11, is amended to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivision 3 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the year the prescription drug was introduced for sale in the United States;

~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

~~(5)~~ (6) the direct costs incurred during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report by the manufacturers that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

~~(6)~~ (7) the number of units of the prescription drug sold during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

~~(7)~~ (8) the total sales revenue for the prescription drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

~~(8)~~ (9) the total rebate payable amount accrued for the prescription drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

~~(9)~~ (10) the manufacturer's net profit attributable to the prescription drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

~~(10)~~ (11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report, if applicable;

~~(11)~~ (12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

~~(12)~~ (13) the patent expiration date of the prescription drug if the prescription drug is under patent;

~~(13)~~ (14) the name and location of the company that manufactured the drug;

~~(14)~~ (15) if the prescription drug is a brand name prescription drug, the ten countries other than the United States that paid the highest prices for the prescription drug during the previous calendar year and their prices; and

~~(15)~~ (16) if the prescription drug was acquired by the manufacturer within ~~a 12-month period prior to the date of~~ the reporting period specified in the notification to report, all of the following information:

(i) the price at acquisition;

(ii) the price in the calendar year prior to acquisition;

(iii) the name of the company from which the drug was acquired;

(iv) the date of acquisition; and

(v) the acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 11. Minnesota Statutes 2024, section 62J.84, subdivision 12, is amended to read:

Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the pharmacy by the department under subdivision 10~~.~~; and

(2) that the pharmacy dispensed in Minnesota or mailed to a Minnesota address.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug acquired during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug including ingredient cost, dispensing fee, and administrative fees during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

(d) The commissioner may grant extensions, exemptions, or both to compliance with the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy. The commissioner may establish procedures for small or independent pharmacies to request extensions or exemptions under this paragraph.

Sec. 12. Minnesota Statutes 2024, section 62J.84, subdivision 13, is amended to read:

Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the PBM by the department under subdivision 10~~.~~; and

(2) for which the PBM fulfilled pharmacy benefit management duties for Minnesota residents.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled ~~for which the PBM administered claims~~ during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled ~~for which the PBM administered claims~~ during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total reimbursement ~~or administrative fee~~ amount~~, or both,~~ accrued and receivable from payers for pricing units of the drug product filled ~~for which the PBM administered claims~~ during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the total administrative fee amount accrued and receivable from payers for pricing units of the drug product filled during the reporting period specified in the notification to report;

~~(5)~~ (6) the total rebate receivable amount accrued by the PBM for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report; and

~~(6)~~ (7) the total rebate payable amount accrued by the PBM for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 13. Minnesota Statutes 2024, section 62J.84, subdivision 14, is amended to read:

Subd. 14. **Wholesale drug distributor prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor that distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state, must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the wholesale drug distributor by the department under subdivision 10~~.~~; and

(2) that the wholesale drug distributor distributed within or into Minnesota.

(b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(6) gross revenue from sales in the United States generated by the wholesale drug distributor for ~~this~~ the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report; and

(7) total rebate payable amount accrued by the wholesale drug distributor for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The wholesale drug distributor may submit any documentation necessary to support the information reported under this subdivision.

Sec. 14. Minnesota Statutes 2024, section 62J.84, subdivision 15, is amended to read:

Subd. 15. **Registration requirements.** ~~Beginning~~ Effective January 1, ~~2024~~ 2026, a reporting entity subject to this chapter shall register, or update existing registration information, with the department in a form and manner prescribed by the commissioner by January 30 each year.

Sec. 15. Minnesota Statutes 2024, section 62K.10, subdivision 2, is amended to read:

Subd. 2. ~~**Primary care; mental health services; general hospital services**~~ **Time and distance standards.** ~~The maximum travel distance or time shall be the lesser of 30 miles or 30 minutes to the nearest provider of each of the following services: primary care services, mental health services, and general hospital services~~ Health carriers must meet the time and distance standards under Code of Federal Regulations, title 45, section 155.1050.

Sec. 16. Minnesota Statutes 2024, section 62K.10, subdivision 5, is amended to read:

Subd. 5. **Waiver.** (a) A health carrier may apply to the commissioner of health for a waiver of the requirements in subdivision 2 ~~or 3~~ if it is unable to meet the statutory requirements. A waiver application must be submitted on a form provided by the commissioner, must be accompanied by

an application fee of $500 for each application to waive the requirements in subdivision 2 ~~or 3~~ for one or more provider types per county, and must:

(1) demonstrate with specific data that the requirement of subdivision 2 ~~or 3~~ is not feasible in a particular service area or part of a service area; and

(2) include specific information as to the steps that were and will be taken to address the network inadequacy, and, for steps that will be taken prospectively to address network inadequacy, the time frame within which those steps will be taken.

(b) The commissioner shall establish guidelines for evaluating waiver applications, standards governing approval or denial of a waiver application, and standards for steps that health carriers must take to address the network inadequacy and allow the health carrier to meet network adequacy requirements within a reasonable time period. The commissioner shall review each waiver application using these guidelines and standards and shall approve a waiver application only if:

(1) the standards for approval established by the commissioner are satisfied; and

(2) the steps that were and will be taken to address the network inadequacy and the time frame for taking these steps satisfy the standards established by the commissioner.

(c) If, in its waiver application, a health carrier demonstrates to the commissioner that there are no providers of a specific type or specialty in a county, the commissioner may approve a waiver in which the health carrier is allowed to address network inadequacy in that county by providing for patient access to providers of that type or specialty via telehealth, as defined in section 62A.673, subdivision 2.

(d) The waiver shall automatically expire after one year. Upon or prior to expiration of a waiver, a health carrier unable to meet the requirements in subdivision 2 ~~or 3~~ must submit a new waiver application under paragraph (a) and must also submit evidence of steps the carrier took to address the network inadequacy. When the commissioner reviews a waiver application for a network adequacy requirement which has been waived for the carrier for the most recent one-year period, the commissioner shall also examine the steps the carrier took during that one-year period to address network inadequacy, and shall only approve a subsequent waiver application that satisfies the requirements in paragraph (b), demonstrates that the carrier took the steps it proposed to address network inadequacy, and explains why the carrier continues to be unable to satisfy the requirements in subdivision 2 ~~or 3~~.

(e) Application fees collected under this subdivision shall be deposited in the state government special revenue fund in the state treasury.

Sec. 17. Minnesota Statutes 2024, section 62K.10, subdivision 6, is amended to read:

Subd. 6. **Referral centers.** ~~Subdivisions~~ Subdivision 2 ~~and 3~~ shall not apply if an enrollee is referred to a referral center for health care services. A referral center is a medical facility that provides highly specialized medical care, including but not limited to organ transplants. A health carrier or preferred provider organization may consider the volume of services provided annually, case mix, and severity adjusted mortality and morbidity rates in designating a referral center.

Sec. 18. Minnesota Statutes 2024, section 103I.005, subdivision 17b, is amended to read:

Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer; ~~and~~ or

(4) determine groundwater flow direction or velocity.

Sec. 19. Minnesota Statutes 2024, section 103I.101, subdivision 2, is amended to read:

Subd. 2. **Duties.** The commissioner shall:

(1) regulate the drilling, construction, modification, repair, and sealing of wells and borings;

(2) examine and license:

(i) well contractors;

(ii) persons constructing, repairing, and sealing bored geothermal heat exchangers;

(iii) persons modifying or repairing well casings above the pitless unit or adaptor, well screens, well diameters, and installing well pumps or pumping equipment;

(iv) persons constructing, repairing, and sealing dewatering wells;

(v) persons sealing wells or borings; ~~and~~

(vi) persons excavating or drilling holes for the installation of elevator borings; and

(vii) persons installing, removing, or maintaining groundwater thermal exchange devices and submerged closed loop heat exchangers;

(3) examine and license environmental well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the Pollution Control Agency, establish standards for the design, location, construction, repair, and sealing of wells and borings within the state; and

(6) issue permits for wells, groundwater thermal devices, bored geothermal heat exchangers, installation of submerged closed loop heat exchanger systems, and elevator borings.

Sec. 20. Minnesota Statutes 2024, section 103I.101, subdivision 5, is amended to read:

Subd. 5. **Commissioner to adopt rules.** The commissioner shall adopt rules including:

(1) issuance of licenses for:

(i) qualified well contractors;

(ii) persons constructing, repairing, and sealing dewatering wells;

(iii) persons sealing wells or borings;

(iv) persons installing, modifying, or repairing well casings, well screens, well diameters, and well pumps or pumping equipment;

(v) persons constructing, repairing, and sealing bored geothermal heat exchangers;

(vi) persons constructing, repairing, and sealing elevator borings; ~~and~~

(vii) persons constructing, repairing, and sealing environmental wells; and

(viii) persons installing, removing, or maintaining groundwater thermal exchange devices and submerged closed loop heat exchangers;

(2) establishment of conditions for examination and review of applications for license and certification;

(3) establishment of conditions for revocation and suspension of license and certification;

(4) establishment of minimum standards for design, location, construction, repair, and sealing of wells and borings to implement the purpose and intent of this chapter;

(5) establishment of a system for reporting on wells and borings drilled and sealed;

(6) establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination;

(7) establishment of wellhead protection measures for wells serving public water supplies;

(8) establishment of procedures to coordinate collection of well and boring data with other state and local governmental agencies;

(9) establishment of criteria and procedures for submission of well and boring logs, formation samples or well or boring cuttings, water samples, or other special information required for and water resource mapping; and

(10) establishment of minimum standards for design, location, construction, maintenance, repair, sealing, safety, and resource conservation related to borings, including exploratory borings as defined in section 103I.005, subdivision 9.

Sec. 21. Minnesota Statutes 2024, section 103I.101, is amended by adding a subdivision to read:

Subd. 7. **Inspection.** At a minimum, the commissioner of health shall inspect at least 25 percent of well construction notifications each year under this section.

Sec. 22. Minnesota Statutes 2024, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 23. Minnesota Statutes 2024, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the ~~Minnesota Humanities Center~~ Department of Health to provide incentives for low-income Minnesotans to use SNAP or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP or SUN bucks (Summer EBT).

Sec. 24. Minnesota Statutes 2024, section 138.912, subdivision 3, is amended to read:

Subd. 3. **Grants.** The ~~Minnesota Humanities Center~~ commissioner shall allocate grant funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide up to $10 vouchers to SNAP or SUN bucks (Summer EBT) participants who use electronic benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers distributed through nonprofit organizations engaged in healthy cooking and food education outreach to eligible households for use at farmers' markets. Funds appropriated under this section may not be used for healthy cooking classes or food education outreach. When awarding grants, the ~~Minnesota Humanities Center~~ commissioner must consider how the nonprofit organizations will achieve geographic balance, including specific efforts to reach eligible households across the state, and the organizations' capacity to manage the programming and outreach.

Sec. 25. Minnesota Statutes 2024, section 138.912, subdivision 4, is amended to read:

Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here at home voucher, an eligible household must meet the Minnesota SNAP or SUN bucks (Summer EBT) eligibility requirements ~~under section 142F.10~~.

Sec. 26. Minnesota Statutes 2024, section 138.912, subdivision 6, is amended to read:

Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must report annually to the ~~Minnesota Humanities Center~~ commissioner with information regarding the operation of the program, including the number of vouchers issued and the number of people served. To the extent practicable, the nonprofit organizations must report on the usage of the vouchers and evaluate the program's effectiveness.

Sec. 27. Minnesota Statutes 2024, section 144.0758, subdivision 3, is amended to read:

Subd. 3. **Eligible grantees.** (a) Organizations eligible to receive grant funding under this section are Minnesota's Tribal Nations in accordance with paragraph (b) and urban American Indian community-based organizations in accordance with paragraph (c).

(b) Minnesota's Tribal Nations may choose to receive funding under this section according to a noncompetitive funding formula specified by the commissioner.

(c) Urban American Indian community-based organizations are eligible to apply for funding under this section by submitting a proposal for consideration by the commissioner.

Sec. 28. Minnesota Statutes 2024, section 144.50, is amended by adding a subdivision to read:

Subd. 8. **Controlling person.** (a) "Controlling person" includes the following individuals, if applicable, as deemed appropriate by the hospital:

(1) any officer of the organization;

(2) any hospital administrator; and

(3) any managerial official.

(b) Controlling person does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity directly or through a subsidiary operates a hospital;

(2) government and government-sponsored entities such as the United States Department of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the Minnesota Housing Finance Agency which provide loans, financing, and insurance products for housing sites;

(3) an individual who is a state or federal official, a state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more hospitals, unless the individual is also an officer, owner, or managerial official of the hospital, receives any remuneration from a hospital, or who is a controlling person not otherwise excluded in this subdivision;

(4) a natural person who is a member of a tax-exempt organization under section 290.05, subdivision 2, unless the individual is also a controlling person not otherwise excluded in this subdivision; and

(5) a natural person who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt by virtue of section 80A.45, clause (6); or

(ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

Sec. 29. Minnesota Statutes 2024, section 144.555, subdivision 1a, is amended to read:

Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health, the public, and others at least 182 days before the hospital or hospital campus voluntarily plans to implement one of the scheduled actions listed in paragraph (b), unless the controlling persons can demonstrate to the commissioner that meeting the advanced notice requirement is not feasible and the commissioner approves a shorter advanced notice.

(b) The following scheduled actions require advanced notice under paragraph (a):

(1) ceasing operations;

(2) curtailing operations to the extent that ~~patients~~ inpatients or emergency department services must be relocated;

(3) relocating the provision of inpatient health services or emergency department services to another hospital or ~~another~~ hospital campus; or

(4) ceasing to offer inpatient maternity care and inpatient newborn care services, inpatient intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

(c) A notice required under this subdivision must comply with the requirements in subdivision 1d.

(d) The commissioner shall cooperate with the controlling persons and advise them about relocating the patients.

(e) For purposes of this subdivision, "inpatient" means services that are provided to a person who has been admitted to a hospital for bed occupancy.

Sec. 30. Minnesota Statutes 2024, section 144.555, subdivision 1b, is amended to read:

Subd. 1b. **Public hearing.** Within 30 days after receiving notice under subdivision 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations, curtailment of operations, relocation of health services, or cessation in offering health services. The commissioner must provide adequate public notice of the hearing in a time and manner determined by the commissioner. The commissioner must ensure that video conferencing technology will be used to allow members of the public to view and participate in the hearing. The controlling persons of the hospital or hospital campus must participate in the public hearing. The public hearing must be held at a location that is within ten miles of the hospital or hospital campus and can accommodate

anticipated public attendance or with the commissioner's approval as close as is practicable, and that is provided or arranged by the hospital or hospital campus. ~~Video conferencing technology must be used to allow members of the public to view and participate in the hearing.~~ The public hearing must include:

(1) an explanation by the controlling persons of the reasons for ceasing or curtailing operations, relocating health services, or ceasing to offer any of the listed health services;

(2) a description of the actions that controlling persons will take to ensure that residents in the hospital's or campus's service area have continued access to the health services being eliminated, curtailed, or relocated;

(3) an opportunity for public testimony for at least one hour on the scheduled cessation or curtailment of operations, relocation of health services, or cessation in offering any of the listed health services, and on the hospital's or campus's plan to ensure continued access to those health services being eliminated, curtailed, or relocated; and

(4) an opportunity for the controlling persons to respond to questions from interested persons.

Sec. 31. Minnesota Statutes 2024, section 144.608, subdivision 2, is amended to read:

Subd. 2. **Council administration.** (a) The council must meet at least twice a year but may meet more frequently at the call of the chair, a majority of the council members, or the commissioner.

(b) The terms, compensation, and removal of members of the council are governed by section 15.059. The council expires June 30, ~~2025~~ 2035.

(c) The council may appoint subcommittees and work groups. Subcommittees shall consist of council members. Work groups may include noncouncil members. Noncouncil members shall be compensated for work group activities under section 15.059, subdivision 3, but shall receive expenses only.

Sec. 32. Minnesota Statutes 2024, section 144.966, subdivision 2, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health; Department of Children, Youth, and Families; and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

(2) designing protocols for tracking children from birth through age three that may have passed newborn screening but are at risk for delayed or late onset of permanent hearing loss;

(3) designing a technical assistance program to support facilities implementing the screening program and facilities conducting rescreening and diagnostic audiological assessment;

(4) designing implementation and evaluation of a system of follow-up and tracking; and

(5) evaluating program outcomes to increase effectiveness and efficiency and ensure culturally appropriate services for children with a confirmed hearing loss and their families.

(b) The commissioner of health shall appoint at least one member from each of the following groups with no less than two of the members being deaf or hard-of-hearing:

(1) a representative from a consumer organization representing culturally deaf persons;

(2) a parent with a child with hearing loss representing a parent organization;

(3) a consumer from an organization representing oral communication options;

(4) a consumer from an organization representing cued speech communication options;

(5) an audiologist who has experience in evaluation and intervention of infants and young children;

(6) a speech-language pathologist who has experience in evaluation and intervention of infants and young children;

(7) two primary care providers who have experience in the care of infants and young children, one of which shall be a pediatrician;

(8) a representative from the early hearing detection intervention teams;

(9) a representative from the Department of Education resource center for the deaf and hard-of-hearing or the representative's designee;

(10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

(11) a representative from the Department of Human Services Deaf and Hard-of-Hearing Services Division;

(12) one or more of the Part C coordinators from the Department of Education; the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services or the department's designees;

(13) the Department of Health early hearing detection and intervention coordinators;

(14) two birth hospital representatives from one rural and one urban hospital;

(15) a pediatric geneticist;

(16) an otolaryngologist;

(17) a representative from the Newborn Screening Advisory Committee under this subdivision;

(18) a representative of the Department of Education regional low-incidence facilitators;

(19) a representative from the deaf mentor program; and

(20) a representative of the Minnesota State Academy for the Deaf from the Minnesota State Academies staff.

The commissioner must complete the initial appointments required under this subdivision by September 1, 2007, and the initial appointments under clauses (19) and (20) by September 1, 2019.

(c) The Department of Health member shall chair the first meeting of the committee. At the first meeting, the committee shall elect a chair from its membership. The committee shall meet at the call of the chair, at least four times a year. The committee shall adopt written bylaws to govern its activities. The Department of Health shall provide technical and administrative support services as required by the committee. These services shall include technical support from individuals qualified to administer infant hearing screening, rescreening, and diagnostic audiological assessments.

Members of the committee shall receive no compensation for their service, but shall be reimbursed as provided in section 15.059 for expenses incurred as a result of their duties as members of the committee.

(d) By February 15, 2015, and by February 15 of the odd-numbered years after that date, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and data privacy on the activities of the committee that have occurred during the past two years.

~~(e) This subdivision expires June 30, 2025.~~

EFFECTIVE DATE. This section is effective the day following final enactment or June 30, 2025, whichever is earlier.

Sec. 33. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees. The data shall be classified as private data on individuals under chapter 13, the Minnesota Government Data Practices Act. The director may share with the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program (ODMAP) data that identifies where and when an overdose incident happens, fatality status, suspected drug type, naloxone administration, and first responder type. ODMAP may:

(1) allow secure access to the system by authorized users to report information about an overdose incident;

(2) allow secure access to the system by authorized users to view, in near real time, information about overdose incidents reported;

(3) produce a map in near real time of the approximate locations of confirmed or suspected overdose incidents reported; and

(4) enable access to overdose incident information that assists in state and local decisions regarding the allocation of public health, public safety, and educational resources for the purposes of monitoring and reporting data related to suspected overdoses.

Sec. 34. **[144E.54] AMBULANCE OPERATING DEFICIT GRANT PROGRAM.**

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

(b) "Capital expenses" means expenses incurred by a licensee for the purchase, improvement, or maintenance of assets with an expected useful life of greater than five years that improve the efficiency of provided ambulance services or the capabilities of the licensee.

(c) "Eligible applicant" or "eligible licensee" means any licensee who possessed a license not excluded under subdivision 4 or 5 in the last completed state fiscal year for which data was provided to the director, as provided in section 62J.49; who continues to operate that same nonexcluded license at the time of application; and who provides verifiable evidence of an operating deficit in the state fiscal year prior to submitting an application.

(d) "Government licensee" means any government entity, as defined in section 118A.01, subdivision 2, including a Tribe, that is a licensee.

(e) "Insurance revenue" means revenue from Medicare, medical assistance, private health insurance, third-party liability insurance, and payments from individuals.

(f) "Operating deficit" means the sum of insurance revenue and other revenue is less than the sum of operational expenses and capital expenses.

(g) "Operational expenses" means costs related to the day-to-day operations of an ambulance service, including but not limited to costs related to personnel, supplies and equipment, fuel, vehicle maintenance, travel, education, and fundraising.

(h) "Other revenue" means revenue from any revenue that is not insurance revenue, including but not limited to grants, tax revenue, donations, fundraisers, or standby fees. Grants awarded under this section must not be considered revenue.

Subd. 2. **Program establishment.** An ambulance operating deficit grant program is established to award grants to applicants to address revenue shortfalls creating operating deficits among eligible applicants.

Subd. 3. **Account established.** An ambulance operating deficit account is created in the special revenue fund in the state treasury. The director shall credit the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. The director shall manage the account.

Subd. 4. **Licensees providing specialized life support services excluded.** Licensees providing specialized life support services as described in section 144E.101, subdivision 9, are not eligible for grants under this section.

Subd. 5. **Other licensees excluded.** Licensees whose individual primary service areas are located mostly within a metropolitan county listed in section 473.121, subdivision 4, or within the cities of Duluth, Mankato, St. Cloud, or Rochester are not eligible for grants under this section.

Subd. 6. **Application process.** (a) An eligible licensee may apply to the director, in the form and manner determined by the director, for a grant under this section.

(b) A grant application made by a government licensee must be accompanied by a resolution of support from the governing body.

Subd. 7. **Director calculations.** The director shall award grants only to applicants who provide verifiable evidence of an operating deficit in the last completed state fiscal year for which data were provided to the director. The director may audit the financial data provided to the director by applicants, as provided in section 62J.49. A grant awarded must not be more than five percent more than any previous grant without special permission from the director.

Subd. 8. **Grant awards; limitations.** (a) Grants awarded under this section to eligible applicants may be proportionally distributed based on money available. Total amounts awarded must not exceed the amount in the ambulance operating deficit account.

(b) The director shall award grants annually.

(c) The director must not award individual grants that exceed the amount of the grantee's most recent verified operating deficit as reported to the director.

Subd. 9. **Eligible expenditures.** A grantee must spend grant money received under this section on operational expenses and capital expenses incurred to provide ambulance services.

Subd. 10. **Report.** By February 15, 2026, and annually thereafter, the director must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance and policy. The report must describe the number and amount of grants awarded under this section and the uses made of grant money by grantees.

Sec. 35. **[145.076] INFORMED CONSENT REQUIRED FOR SENSITIVE EXAMINATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "sensitive examination" means a pelvic, breast, urogenital, or rectal examination.

Subd. 2. **Informed consent required; exceptions.** A health professional, or a student or resident participating in a course of instruction, clinical training, or a residency program for a health profession, shall not perform a sensitive examination on an anesthetized or unconscious patient unless:

(1) the patient or the patient's legally authorized representative provided prior, written, informed consent to the sensitive examination and the sensitive examination is necessary for preventive, diagnostic, or treatment purposes;

(2) the patient or the patient's legally authorized representative provided prior, written, informed consent to a surgical procedure or diagnostic examination and the sensitive examination is within the scope of care ordered for that surgical procedure or diagnostic examination;

(3) the patient is unconscious and incapable of providing informed consent and the sensitive examination is necessary for diagnostic or treatment purposes; or

(4) a court ordered a sensitive examination to be performed for purposes of collection of evidence.

Subd. 3. **Penalty; ground for disciplinary action.** A person who violates this section is subject to disciplinary action by the health-related licensing board regulating the person.

Sec. 36. Minnesota Statutes 2024, section 145.8811, is amended to read:

145.8811 MATERNAL AND CHILD HEALTH ADVISORY ~~TASK FORCE~~ COMMITTEE.

Subdivision 1. **Composition of ~~task force~~ committee.** The commissioner shall establish and appoint a Maternal and Child Health Advisory ~~Task Force~~ Committee consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of community health boards as defined in section 145A.02, subdivision 5; and

(3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the Minnesota Department of Health. Section 15.059 governs the Maternal and Child Health Advisory ~~Task Force~~ Committee. Notwithstanding section 15.059, the Maternal and Child Health Advisory ~~Task Force~~ Committee does not expire.

Subd. 2. **Duties.** The advisory ~~task force~~ committee shall meet on a regular basis to perform the following duties:

(1) review and report on the health care needs of mothers and children throughout the state of Minnesota;

(2) review and report on the type, frequency, and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(3) establish, review, and report to the commissioner a list of program guidelines and criteria ~~which~~ the advisory ~~task force~~ committee considers essential to providing an effective maternal and child health care program to low-income populations and high-risk persons and fulfilling the purposes defined in section 145.88;

(4) make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(5) make recommendations to the commissioner of health on priorities for funding the following maternal and child health services:

(i) prenatal, delivery, and postpartum care;

(ii) comprehensive health care for children, especially from birth through five years of age;

(iii) adolescent health services;

(iv) family planning services;

(v) preventive dental care;

(vi) special services for chronically ill and disabled children; and

(vii) any other services that promote the health of mothers and children; and

(6) establish in consultation with the commissioner statewide outcomes that will improve the health status of mothers and children.

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

Sec. 37. Minnesota Statutes 2024, section 145.901, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** Within the limits of available funding, the commissioner of health ~~may~~ must conduct maternal death studies to assist the planning, implementation, and evaluation of medical, health, and welfare service systems and to reduce the numbers of preventable maternal deaths in Minnesota.

Sec. 38. Minnesota Statutes 2024, section 145.987, subdivision 1, is amended to read:

Subdivision 1. **Establishment; composition of advisory council.** The health equity advisory and leadership (HEAL) council consists of 18 members appointed by the commissioner of health, including but not limited to members who will provide representation from the following groups:

(1) African American and African heritage communities;

(2) Asian American and Pacific Islander communities;

(3) Latina/o/x communities;

(4) American Indian communities and Tribal governments and nations;

(5) disability communities;

(6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

(7) representatives who reside outside the seven-county metropolitan area.

Sec. 39. Minnesota Statutes 2024, section 145.987, subdivision 2, is amended to read:

Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except that terms for advisory council members shall be for two years. Members may be reappointed to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire. ~~The commissioner shall recommend appointments to replace members vacating their positions in a timely manner, no more than three months after the advisory council reviews panel recommendations.~~

(b) The commissioner must convene meetings at least quarterly and must provide meeting space and administrative support to the advisory council. Subcommittees may be convened as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter 13D.

Sec. 40. **[148.781] CENTRAL SERVICE TECHNICIAN.**

Subdivision 1. **Application.** This section applies to persons who perform the functions of a central service technician in a health care facility.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "central service technician" means a person who decontaminates, inspects, assembles, packages, and sterilizes reusable medical instruments or devices used by a health care facility;

(2) "health care facility" means a hospital or ambulatory surgical center; and

(3) "health care practitioner" means an individual regulated by a health-related licensing board as defined in section 214.01, subdivision 2, or by the commissioner of health under sections 148.511 to 148.5198, to the extent the individual provides services in a health care facility and the tasks of a central service technician are within the individual's scope of practice. Health care practitioner includes an intern, resident, or fellow who performs or assists with surgery.

Subd. 3. **Requirements for central service technician.** (a) A health care facility shall employ or otherwise retain the services of a central service technician only if the central service technician:

(1) has successfully passed a nationally accredited examination for central service technicians and holds and maintains one of the following credentials administered by a nationally accredited central service technician credentialing organization: a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential; or

(2) provides evidence that the person was employed by or was retained as a central service technician by a health care facility on or before December 31, 2027.

(b) A central service technician who does not meet the requirements of paragraph (a), clause (1), shall have 24 months from the date of hire to obtain a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential.

(c) A person who qualifies to operate as a central service technician in a health care facility under paragraph (a) must annually complete ten hours of continuing education credits to remain qualified to operate as a central service technician. The continuing education required under this paragraph must be related to the functions of a central service technician.

(d) Nothing in this subdivision shall prohibit the following persons from performing the tasks or functions of a central service technician:

(1) a health care practitioner;

(2) a person who holds or maintains a registration, certification, or license by a nationally accredited credentialing organization to perform health care services; or

(3) a student or intern performing the functions of a central service technician under the direct supervision of a health care practitioner as part of the student's or intern's training or internship.

(e) A health care facility shall, upon the written request of a central service technician, verify in writing the central service technician's dates of employment or the contract period during which the central service technician provided services to the health care facility.

EFFECTIVE DATE. This section is effective 180 days after final enactment.

Sec. 41. **TRANSFER OF PROGRAM.**

The healthy eating, here at home program is transferred from the Minnesota Humanities Center to the Department of Health on July 1, 2025. The provisions of Minnesota Statutes, section 15.039, apply to this transfer.

Sec. 42. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 138.912, as section 144.0554. The revisor shall make any cross-reference changes necessary resulting from the renumbering of the healthy eating, here at home program.

Sec. 43. **REPEALER.**

Minnesota Statutes 2024, sections 62K.10, subdivision 3; and 138.912, subdivision 7, are repealed.

ARTICLE 3

HEALTH LICENSING BOARDS

Section 1. Minnesota Statutes 2024, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 147.037, subdivision 1b, paragraph (d); 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 144A.43, subdivision 15, is amended to read:

Subd. 15. **Occupational therapist.** "Occupational therapist" ~~means a person who is licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402, subdivision 14.

Sec. 3. Minnesota Statutes 2024, section 144G.08, subdivision 45, is amended to read:

Subd. 45. **Occupational therapist.** "Occupational therapist" ~~means a person who is licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402, subdivision 14.

Sec. 4. Minnesota Statutes 2024, section 147.01, subdivision 7, is amended to read:

Subd. 7. **Physician application and license fees.** (a) The board may charge the following nonrefundable application and license fees processed pursuant to sections 147.02, 147.03, 147.037, 147.0375, and 147.38:

(1) physician application fee, $200;

(2) physician annual registration renewal fee, $192;

(3) physician endorsement to other states, $40;

(4) physician emeritus license, $50;

(5) physician late fee, $60;

(6) nonrenewable 24-month limited license, $392;

(7) initial physician license for limited license holder, $192;

~~(6)~~ (8) duplicate license fee, $20;

~~(7)~~ (9) certification letter fee, $25;

~~(8)~~ (10) education or training program approval fee, $100;

~~(9)~~ (11) report creation and generation fee, $60 per hour;

~~(10)~~ (12) examination administration fee (half day), $50;

~~(11)~~ (13) examination administration fee (full day), $80;

~~(12)~~ (14) fees developed by the Interstate Commission for determining physician qualification to register and participate in the interstate medical licensure compact, as established in rules authorized in and pursuant to section 147.38, not to exceed $1,000; and

~~(13)~~ (15) verification fee, $25.

(b) The board may prorate the initial annual license fee. All licensees are required to pay the full fee upon license renewal. The revenue generated from the fee must be deposited in an account in the state government special revenue fund.

Sec. 5. Minnesota Statutes 2024, section 147.037, is amended by adding a subdivision to read:

Subd. 1b. **Limited license.** (a) A limited license under this section is valid for one 24-month period and is not renewable or eligible for reapplication. The board may issue a limited license, valid for 24 months, to any person who satisfies the requirements of subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

(1) pursuant to a license or other authorization to practice, has practiced medicine, as defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the previous 12 years outside of the United States;

(2) submits sufficient evidence of an offer to practice within the context of a collaborative agreement within a hospital or clinical setting where the limited license holder and physicians work together to provide patient care;

(3) provides services in a designated rural area or underserved urban community as defined in section 144.1501; and

(4) submits two letters of recommendation in support of a limited license, which must include one letter from a physician with whom the applicant previously worked and one letter from an administrator of the hospital or clinical setting in which the applicant previously worked. The letters of recommendation must attest to the applicant's good medical standing. The board may accept alternative forms of proof that demonstrate good medical standing where there are extenuating circumstances that prevent an applicant from providing letters.

(b) For purposes of this subdivision, a person has satisfied the requirements of subdivision 1, paragraph (e), if the person has passed steps or levels one and two of the USMLE or the COMLEX-USA with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts.

(c) A person issued a limited license under this subdivision must not be required to present evidence satisfactory to the board of the completion of one year of graduate clinical medical training in a program accredited by a national accrediting organization approved by the board.

(d) An employer of a limited license holder must pay the limited license holder at least an amount equivalent to a medical resident in a comparable field. The employer must carry medical malpractice insurance covering a limited license holder for the duration of the employment. The commissioner of health may issue a correction order under section 144.99, subdivision 3, requiring an employer to comply with this paragraph. An employer must not retaliate against or discipline an employee for raising a complaint or pursuing enforcement relating to this paragraph.

(e) The board may issue a full and unrestricted license to practice medicine to a person who holds a limited license issued pursuant to paragraph (a) and who has:

(1) held the limited license for two years and is in good standing to practice medicine in Minnesota;

(2) practiced for a minimum of 1,692 hours per year for each of the previous two years;

(3) submitted a letter of recommendation in support of a full and unrestricted license containing all attestations required under paragraph (i) from any physician who participated in the collaborative agreement;

(4) passed steps or levels one, two, and three of the USMLE or COMLEX-USA with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts; and

(5) completed 20 hours of continuing medical education.

(f) A limited license holder must submit to the board, every six months or upon request, a statement certifying whether the person is still employed as a physician in Minnesota and whether the person has been subjected to professional discipline as a result of the person's practice. The board may suspend or revoke a limited license if a majority of the board determines that the licensee is no longer employed as a physician in Minnesota by an employer. The licensee must be granted an opportunity to be heard prior to the board's determination. Upon request by the limited license holder, the limited license holder may have 90 days to regain employment. A licensee may change employers during the duration of the limited license if the licensee has another offer of employment. In the event that a change of employment occurs, the licensee must still work the number of hours required under paragraph (e), clause (2), to be eligible for a full and unrestricted license to practice medicine.

(g) In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license of a limited license holder if the board finds that the limited license holder has violated a statute or rule that the board is empowered to enforce and continued practice by the limited license holder would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the limited license holder specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The limited license holder shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

(h) For purposes of this subdivision, "collaborative agreement" means a mutually agreed upon plan for the overall working relationship and collaborative arrangement between a holder of a limited license and one or more physicians licensed under this chapter that designates the scope of services that can be provided to manage the care of patients. The limited license holder and one of the collaborating physicians must have experience in providing care to patients with the same or similar medical conditions. Under the collaborative agreement, the limited license holder must shadow the collaborating physician for four weeks, after which time the limited license holder must staff all patient encounters with the collaborating physician for an additional four weeks. After that time, the collaborating physician has discretion to allow the limited license holder to see patients independently and will require the limited license holder to present patients at their discretion. However, the limited license holder must be supervised by the collaborating physician for a minimum of two hours per week. A limited license holder may practice medicine without a collaborating physician physically present, but the limited license holder and collaborating physicians must be able to easily contact each other by radio, telephone, or other telecommunication device while the limited license holder practices medicine. The limited license holder must have one-on-one practice

reviews with each collaborating physician, provided in person or through eye-to-eye electronic media while maintaining visual contact, for at least two hours per week.

(i) At least one collaborating physician must submit a letter to the board, after the limited license holder has practiced under the license for 12 months, attesting that:

(1) the limited license holder has a basic understanding of federal and state laws regarding the provision of health care, including but not limited to:

(i) medical licensing obligations and standards; and

(ii) the Health Insurance Portability and Accountability Act, Public Law 104-191;

(2) the limited license holder has a basic understanding of documentation standards;

(3) the limited license holder has a thorough understanding of which medications are available and unavailable in the United States;

(4) the limited license holder has a thorough understanding of American medical standards of care;

(5) the limited license holder has demonstrated mastery of each of the following:

(i) gathering a history and performing a physical exam;

(ii) developing and prioritizing a differential diagnosis following a clinical encounter and selecting a working diagnosis;

(iii) recommending and interpreting common diagnostic and screening tests;

(iv) entering and discussing orders and prescriptions;

(v) providing an oral presentation of a clinical encounter;

(vi) giving a patient handover to transition care responsibly;

(vii) recognizing a patient requiring urgent care and initiating an evaluation; and

(viii) obtaining informed consent for tests, procedures, and treatments; and

(6) the limited license holder is providing appropriate medical care.

(j) The board must not grant a license under this section unless the applicant possesses federal immigration status that allows the applicant to practice as a physician in the United States.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 147A.02, is amended to read:

147A.02 QUALIFICATIONS FOR LICENSURE.

(a) The board may grant a license as a physician assistant to an applicant who:

(1) submits an application on forms approved by the board;

(2) pays the appropriate fee as determined by the board;

(3) has current certification from the National Commission on Certification of Physician Assistants, or its successor agency as approved by the board;

(4) certifies that the applicant is mentally and physically able to engage safely in practice as a physician assistant;

(5) has no licensure, certification, or registration as a physician assistant under current discipline, revocation, suspension, or probation for cause resulting from the applicant's practice as a physician assistant, unless the board considers the condition and agrees to licensure;

(6) submits any other information the board deems necessary to evaluate the applicant's qualifications; and

(7) has been approved by the board.

(b) All persons registered as physician assistants as of June 30, 1995, are eligible for continuing license renewal. All persons applying for licensure after that date shall be licensed according to this chapter.

(c) A physician assistant who qualifies for licensure must practice for at least 2,080 hours, within the context of a collaborative agreement, within a hospital or integrated clinical setting where physician assistants and physicians work together to provide patient care. The physician assistant shall submit written evidence to the board with the application, or upon completion of the required collaborative practice experience. For purposes of this paragraph, a collaborative agreement is a mutually agreed upon plan for the overall working relationship ~~and collaborative arrangement~~ between a physician assistant~~,~~ and one or more physicians licensed under chapter 147 or licensed in another state or United States territory, that designates the scope of ~~services that can be provided~~ collaboration necessary to manage the care of patients. The physician assistant and one of the collaborative physicians must have experience in providing care to patients with the same or similar medical conditions. The collaborating physician is not required to be physically present so long as the collaborating physician and physician assistant are or can be easily in contact with each other by radio, telephone, or other telecommunication device.

Sec. 7. Minnesota Statutes 2024, section 147D.03, subdivision 1, is amended to read:

Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or attend to a woman in pregnancy, childbirth outside a hospital, and postpartum, shall be regarded as practicing traditional midwifery. A certified midwife licensed by the Board of Nursing under chapter 148G is not subject to the provisions of this chapter.

Sec. 8. Minnesota Statutes 2024, section 148.108, subdivision 1, is amended to read:

Subdivision 1. **Fees.** ~~In addition to the fees established in Minnesota Rules, chapter 2500,~~ The board is authorized to charge the fees in this section.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 5. **Chiropractic license fees.** Fees for chiropractic licensure must not exceed the following amounts but may be adjusted lower by board action:

(1) initial application for licensure fee, $600;

(2) annual renewal of an active license fee, $250;

(3) annual renewal of an inactive license fee, 75 percent of the current active license renewal fee under clause (2);

(4) late renewal penalty fee, $150 per month late; and

(5) application for reinstatement of a voluntarily retired or inactive license fee, $100.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 6. **Acupuncture registration fees.** Fees for acupuncture registration must not exceed the following amounts but may be adjusted lower by board action:

(1) initial application acupuncture registration fee, $400;

(2) annual renewal of active acupuncture registration fee, $200;

(3) annual renewal of inactive acupuncture registration fee, 75 percent of the current active acupuncture registration renewal fee under clause (2); and

(4) reinstatement of nonrenewed acupuncture registration fee, $400.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 7. **Independent examiner registration fees.** Fees for independent examiner registration must not exceed the following amounts but may be adjusted lower by board action:

(1) initial application independent examiner registration fee, $400;

(2) annual renewal of independent examiner registration fee, $200; and

(3) reinstatement of nonrenewed independent examiner registration fee, $400.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 12. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 8. **Animal chiropractic registration fees.** Fees for animal chiropractic registration must not exceed the following amounts but may be adjusted lower by board action:

(1) initial application animal chiropractic registration fee, $400;

(2) annual renewal of active animal chiropractic registration fee, $200;

(3) annual renewal of inactive animal chiropractic registration fee, 75 percent of the current active animal chiropractic renewal fee under clause (2); and

(4) reinstatement of nonrenewed animal chiropractic registration fee, $400.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 13. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 9. **Graduate preceptorship registration fee.** The application fee for graduate preceptorship registration is an amount not to exceed $500, but may be adjusted lower by board action.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 10. **Professional firm registration fees.** In addition to fees authorized under chapter 319B, the late renewal penalty fee for professional firm registration is $5 per month late.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 15. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 11. **Miscellaneous fees.** Fees under this subdivision must not exceed the following amounts but may be adjusted lower by board action:

(1) annual continuing education sponsorship fee, $1,000;

(2) individual continuing education seminar sponsorship fee, $400;

(3) mailing list request fee, $500;

(4) license verification fee, $50;

(5) duplicate certificate fee, $50; and

(6) document copies fee, $0.25 per side of document page.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 16. Minnesota Statutes 2024, section 148.191, subdivision 2, is amended to read:

Subd. 2. **Powers.** (a) The board is authorized to adopt and, from time to time, revise rules not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of sections 148.171 to 148.285 and chapter 148G. The board shall prescribe by rule curricula and standards for schools and courses preparing persons for licensure under sections 148.171 to 148.285 and 148G.12. It shall conduct or provide for surveys of such schools and courses at such times as it may deem necessary. It shall approve such schools and courses as meet the requirements of sections 148.171 to 148.285 or section 148G.12, and board rules. It shall examine, license, and renew the license of duly qualified applicants. It shall hold examinations at least once in each year at such time and place as it may determine. It shall by rule adopt, evaluate, and periodically revise, as necessary, requirements for licensure and for registration and renewal of registration as defined in section 148.231 and chapter 148G. It shall maintain a record of all persons licensed by the board to practice advanced practice, professional, or practical nursing, or certified as a midwife. It shall cause the prosecution of all persons violating sections 148.171 to 148.285 or chapter 148G, and have power to incur such necessary expense therefor. It shall register public health nurses who meet educational and other requirements established by the board by rule, including payment of a fee. It shall have power to issue subpoenas, and to compel the attendance of witnesses and the production of all necessary documents and other evidentiary material. Any board member may administer oaths to witnesses, or take their affirmation. It shall keep a record of all its proceedings.

(b) The board shall have access to hospital, nursing home, and other medical records of a patient cared for by a nurse or certified midwife under review. If the board does not have a written consent from a patient permitting access to the patient's records, the nurse, certified midwife, or facility shall delete any data in the record that identifies the patient before providing it to the board. The board shall have access to such other records as reasonably requested by the board to assist the board in its investigation. Nothing herein may be construed to allow access to any records protected by section 145.64. The board shall maintain any records obtained pursuant to this paragraph as investigative data under chapter 13.

(c) The board may accept and expend grants or gifts of money or in-kind services from a person, a public or private entity, or any other source for purposes consistent with the board's role and within the scope of its statutory authority.

(d) The board may accept registration fees for meetings and conferences conducted for the purposes of board activities that are within the scope of its authority.

Sec. 17. Minnesota Statutes 2024, section 148.241, is amended to read:

148.241 EXPENSES.

Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota Board of Nursing.

Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to the order of the board to be used only for the purpose of meeting necessary expenses incurred in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and the duties imposed thereby as well as the promotion of nursing or certified midwifery education and standards of nursing or certified midwifery care in this state.

Sec. 18. Minnesota Statutes 2024, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who meets the qualifications under section 148.5181 and provides speech-language pathology services under the supervision of a licensed speech-language pathologist under sections 122A.183 and 122A.184 or in accordance with section 148.5192.

Sec. 19. Minnesota Statutes 2024, section 148.5192, subdivision 3, is amended to read:

Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist shall authorize and accept full responsibility for the performance, practice, and activity of a speech-language pathology assistant. The amount and type of supervision required must be based on the skills and experience of the speech-language pathology assistant. A minimum of one hour every 30 days of consultative supervision time must be documented for each speech-language pathology assistant.

(b) A supervising speech-language pathologist must:

(1) be licensed under sections 122A.183, 122A.184, or 148.511 to 148.5198;

(2) hold a certificate of clinical competence from the American Speech-Language-Hearing Association or its equivalent as approved by the commissioner; and

(3) have completed at least ten hours of continuing education in supervision.

(c) Once every 60 days, the supervising speech-language pathologist must treat or cotreat with the speech-language pathology assistant each client on the speech-language pathology assistant's caseload.

(d) For purposes of this section, "direct supervision" means observation and guidance by the supervising speech-language pathologist during the performance of a delegated duty that occurs either on-site and in-view or through the use of real-time, two-way interactive audio and visual communication. The supervision requirements described in this section are minimum requirements. Additional supervision requirements may be imposed at the discretion of the supervising speech-language pathologist.

(e) A supervising speech-language pathologist must be available to communicate with a speech-language pathology assistant at any time the assistant is in direct contact with a client.

(f) A supervising speech-language pathologist must document activities performed by the assistant that are directly supervised by the supervising speech-language pathologist. At a minimum, the documentation must include:

(1) information regarding the quality of the speech-language pathology assistant's performance of the delegated duties; and

(2) verification that any delegated clinical activity was limited to duties authorized to be performed by the speech-language pathology assistant under this section.

(g) A supervising speech-language pathologist must review and cosign all informal treatment notes signed or initialed by the speech-language pathology assistant.

(h) A full-time, speech-language pathologist may supervise no more than two full-time, speech-language pathology assistants or the equivalent of two full-time assistants.

Sec. 20. Minnesota Statutes 2024, section 148.5194, subdivision 3b, is amended to read:

Subd. 3b. **Speech-language pathology assistant licensure fees.** The fee for initial licensure as a speech-language pathology assistant ~~is $493~~ must not exceed $220. The fee for licensure renewal for a speech-language pathology assistant ~~is $493~~ must not exceed $220.

Sec. 21. Minnesota Statutes 2024, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

(1) advertise as an optometrist;

(2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;

(3) possess testing appliances for the purpose of the measurement of the powers of vision;

(4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;

(5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;

(6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or

(7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

(1) legend drugs to be administered intravenously~~, intramuscularly, or by injection, except for treatment of anaphylaxis~~ or by sub-Tenon, retrobulbar, or intravitreal injection;

(2) invasive surgery including, but not limited to, surgery using lasers;

(3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or

(4) oral ~~antivirals to be prescribed or administered for more than ten days; or~~ steroids to be administered or prescribed for more than 14 days without consultation with a physician.

~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.~~

Sec. 22. Minnesota Statutes 2024, section 148.6401, is amended to read:

148.6401 SCOPE.

Sections 148.6401 to ~~148.6449~~ 148.645 apply to persons who are applicants for licensure, who are licensed, who use protected titles, or who represent that they are licensed as ~~occupational therapists or~~ occupational therapy ~~assistants~~ practitioners.

Sec. 23. Minnesota Statutes 2024, section 148.6402, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purpose of sections 148.6401 to ~~148.6449~~ 148.645, the following terms have the meanings given them.

Sec. 24. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 2a. **Accreditation Council for Occupational Therapy Education or ACOTE.** "Accreditation Council for Occupational Therapy Education" or "ACOTE" means the entity that accredits occupational therapy education programs in the United States and its territories and establishes, approves, and administers educational standards ensuring consistency across all occupational therapy education.

Sec. 25. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 5a. **Continuing competence.** "Continuing competence" means the process in which an occupational therapy practitioner develops and maintains the knowledge, critical reasoning, interpersonal skills, performance skills, and ethical practice necessary to perform their occupational therapy responsibilities.

Sec. 26. Minnesota Statutes 2024, section 148.6402, subdivision 7, is amended to read:

Subd. 7. **~~Credentialing~~ Certification examination for occupational therapist.** "~~Credentialing~~ Certification examination for occupational therapist" means the examination sponsored by the National Board for Certification in Occupational Therapy for ~~credentialing~~ certification as ~~an~~ a registered occupational therapist~~, registered~~.

Sec. 27. Minnesota Statutes 2024, section 148.6402, subdivision 8, is amended to read:

Subd. 8. **~~Credentialing~~ Certification examination for occupational therapy assistant.** "~~Credentialing~~ Certification examination for occupational therapy assistant" means the examination sponsored by the National Board for Certification in Occupational Therapy for ~~credentialing~~ certification as a certified occupational therapy assistant.

Sec. 28. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 12a. **Face-to-face supervision.** "Face-to-face supervision" means supervision occurring between a supervisor and a supervisee within each other's sight or presence. Face-to-face supervision

includes real-time audio and video communication where the supervisor and supervisee can see each other and clearly visualize the services being provided.

Sec. 29. Minnesota Statutes 2024, section 148.6402, subdivision 13, is amended to read:

Subd. 13. **Licensed health care professional.** "Licensed health care professional" means a person licensed in good standing in Minnesota to practice medicine, osteopathic medicine, chiropractic, podiatry, advanced practice registered nursing, ~~or~~ dentistry, or ~~is a person registered~~ as a licensed physician assistant in Minnesota.

Sec. 30. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 13a. **National Board for Certification in Occupational Therapy or NBCOT.** "National Board for Certification in Occupational Therapy" or "NBCOT" means the entity that administers the certification examination and provides initial and renewal board certification for occupational therapy practitioners providing services in the United States, or any successor entity performing the certification examination and initial and renewal board certification.

Sec. 31. Minnesota Statutes 2024, section 148.6402, subdivision 14, is amended to read:

Subd. 14. **Occupational therapist.** "Occupational therapist" means an individual ~~who meets the qualifications in sections 148.6401 to 148.6449 and is licensed by the board~~ licensed to practice occupational therapy under sections 148.6401 to 148.645 who is responsible for and directs the evaluation process, discharge planning process, development of intervention plans, and provision of occupational therapy services.

Sec. 32. Minnesota Statutes 2024, section 148.6402, subdivision 16, is amended to read:

Subd. 16. **Occupational therapy assistant.** "Occupational therapy assistant" means an individual ~~who meets the qualifications for an occupational therapy assistant in sections 148.6401 to 148.6449 and is licensed by the board~~ licensed to assist in the practice of occupational therapy under sections 148.6401 to 148.645 who works under the appropriate supervision of and in partnership with an occupational therapist, unless exempted under section 148.6432.

Sec. 33. Minnesota Statutes 2024, section 148.6402, subdivision 16a, is amended to read:

Subd. 16a. **Occupational therapy practitioner.** "Occupational therapy practitioner" means any individual licensed as either an occupational therapist or occupational therapy assistant under sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 34. Minnesota Statutes 2024, section 148.6402, subdivision 19, is amended to read:

Subd. 19. **License or licensed.** "License" or "licensed" means the act or status of a natural person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 35. Minnesota Statutes 2024, section 148.6402, subdivision 20, is amended to read:

Subd. 20. **Licensee.** "Licensee" means a person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 36. Minnesota Statutes 2024, section 148.6402, subdivision 23, is amended to read:

Subd. 23. **Service competency.** (a) "Service competency" of an occupational therapy assistant in performing evaluation tasks means the ability of an occupational therapy assistant to obtain the same information as the supervising occupational therapist when evaluating a client's function.

(b) "Service competency" of an occupational therapy assistant in performing treatment procedures means the ability of an occupational therapy assistant to perform treatment procedures in a manner such that the outcome, documentation, and follow-up are equivalent to that which would have been achieved had the supervising occupational therapist performed the treatment procedure.

(c) "Service competency" of an occupational therapist means the ability of an occupational therapist to consistently perform an assessment task or intervention procedure with the level of skill recognized as satisfactory within the ~~appropriate acceptable prevailing practice~~ national practice standards of occupational therapy.

Sec. 37. Minnesota Statutes 2024, section 148.6402, subdivision 25, is amended to read:

Subd. 25. **Temporary licensure.** "Temporary licensure" means a method of licensure described in section 148.6418, by which an individual who (1) has completed an approved or accredited education program but has not met the examination requirement; or (2) possesses a credential from another jurisdiction or the National Board for Certification in Occupational Therapy but who has not submitted the documentation required by section 148.6420~~, subdivisions 3 and 4,~~ may qualify for Minnesota licensure for a limited time period.

Sec. 38. Minnesota Statutes 2024, section 148.6403, is amended to read:

148.6403 LICENSURE; PROTECTED TITLES AND RESTRICTIONS ON USE; EXEMPT PERSONS; SANCTIONS.

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of occupational therapy unless the person is licensed as an occupational therapy practitioner in accordance with sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 2. **Protected titles and restrictions on use.** Use of the phrase "occupational therapy," ~~or~~ "occupational therapist," or "occupational therapy assistant," or the initials "OT" or "OTA" alone or in combination with any other words or initials to form an occupational title, or to indicate or imply that the person is licensed by the state as an occupational therapist or occupational therapy assistant, is prohibited unless that person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 3. **Use of "Minnesota licensed."** Use of the term "Minnesota licensed" in conjunction with titles protected under this section by any person is prohibited unless that person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 4. **Persons licensed or certified in other states.** A person who is licensed in Minnesota and licensed or certified in another ~~state~~ jurisdiction may use the designation "licensed" or "certified" with a protected title only if the ~~state~~ jurisdiction of licensure or certification is clearly indicated.

Subd. 5. **Exempt persons.** This section does not apply to:

(1) a person employed as an occupational therapy practitioner by the government of the United States or any agency of it. However, use of the protected titles under those circumstances is allowed only in connection with performance of official duties for the federal government;

(2) a student participating in supervised fieldwork or supervised coursework that is necessary to meet the requirements of section 148.6408, subdivision 1, or 148.6410, subdivision 1, if the person is designated by a title which clearly indicates the person's status as a student trainee. Any use of the protected titles under these circumstances is allowed only while the person is performing the duties of the supervised fieldwork or supervised coursework; ~~or~~

~~(3) a person visiting and then leaving the state and performing occupational therapy services while in the state, if the services are performed no more than 30 days in a calendar year as part of a professional activity that is limited in scope and duration and is in association with an occupational therapist licensed under sections 148.6401 to 148.6449, and~~

~~(i) the~~ (3) a person who is credentialed under the law of another state ~~which~~ that has credentialing requirements at least as stringent as the requirements of sections 148.6401 to ~~148.6449~~ 148.645; or

~~(ii) the~~ (4) a person who meets the requirements for certification as an occupational therapist registered (OTR) or a certified occupational therapy assistant (COTA), established by the National Board for Certification in Occupational Therapy~~.~~; or

(5) an occupational therapy practitioner who possesses an active compact privilege under section 148.645.

Subd. 6. **Sanctions.** A person who practices occupational therapy or holds out as an occupational therapy practitioner by or through the use of any title described in subdivision 2 without prior licensure according to sections 148.6401 to ~~148.6449~~ 148.645 is subject to sanctions or action against continuing the activity according to section 148.6448, chapter 214, or other statutory authority.

Subd. 7. **Exemption.** Nothing in sections 148.6401 to ~~148.6449~~ 148.645 shall prohibit the practice of any profession or occupation licensed or registered by the state by any person duly licensed or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

Sec. 39. Minnesota Statutes 2024, section 148.6404, is amended to read:

148.6404 SCOPE OF PRACTICE.

(a) The practice of occupational therapy means the therapeutic use of everyday ~~activities~~ life occupations with individuals ~~or~~, groups, or populations for the purpose of enhancing or enabling participation in those occupations. ~~It is the promotion of~~ The practice of occupational therapy promotes health and well-being through the use of occupational therapy services that includes screening, evaluation, intervention, and consultation to develop, recover, and maintain a client's:

(1) sensory integrative, neuromuscular, motor, emotional, motivational, cognitive, or psychosocial components of performance;

(2) daily living skills;

(3) feeding and swallowing skills;

(4) play and leisure skills;

(5) educational participation skills;

(6) functional performance and work participation skills;

(7) community mobility; and

(8) health and wellness.

(b) Occupational therapy services include but are not limited to:

(1) designing, fabricating, or applying rehabilitative technology, such as selected orthotic and prosthetic devices, and providing training in the functional use of these devices;

(2) designing, fabricating, or adapting assistive technology and providing training in the functional use of assistive devices;

(3) adapting environments using assistive technology such as environmental controls, wheelchair modifications, and positioning; ~~and~~

(4) ~~employing~~ applying physical agent, manual, and mechanical modalities in preparation for or as an adjunct to purposeful activity to meet established functional occupational therapy goals; and

(5) educating and training individuals, including families, caregivers, groups, and populations.

(c) Occupational therapy services must be based on nationally established standards of practice.

Sec. 40. Minnesota Statutes 2024, section 148.6405, is amended to read:

148.6405 LICENSURE APPLICATION REQUIREMENTS: PROCEDURES AND QUALIFICATIONS.

(a) An applicant for licensure must comply with the application requirements in section 148.6420. To qualify for licensure, an applicant must satisfy one of the requirements in ~~paragraphs (b) to (f)~~ sections 148.6408 to 148.6415, or section 148.645 and not be subject to denial of licensure under section 148.6448.

~~(b) A person who applies for licensure as an occupational therapist and who has not been credentialed by the National Board for Certification in Occupational Therapy or another jurisdiction must meet the requirements in section 148.6408.~~

~~(c) A person who applies for licensure as an occupational therapy assistant and who has not been credentialed by the National Board for Certification in Occupational Therapy or another jurisdiction must meet the requirements in section 148.6410.~~

~~(d) A person who is certified by the National Board for Certification in Occupational Therapy may apply for licensure by equivalency and must meet the requirements in section 148.6412.~~

~~(e) A person who is credentialed in another jurisdiction and who was previously certified by the National Board for Certification in Occupational Therapy may apply for licensure by reciprocity and must meet the requirements in section 148.6415.~~

~~(f)~~ (b) A person who applies for temporary licensure must meet the requirements in section 148.6418.

(c) A person who applies for licensure under section 148.6408 or 148.6410 more than two years after the person's initial NBCOT certification was issued and who has not practiced in any jurisdiction must submit:

(1) a completed and signed application for licensure on forms provided by the board that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1) and (2); and

(2) proof of a minimum of 24 continuing education contact hours by an occupational therapist applicant, or a minimum of 18 hours by an occupational therapy assistant applicant, completed within the two years proceeding the application and meeting the requirements of section 148.6443.

~~(g)~~ (d) A person who applies for licensure under ~~paragraph (b), (e), or (f) more than two and less than four years after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410, subdivision 2,~~ section 148.6408 or 148.6410 after the person's initial NBCOT certification has expired must submit ~~the following~~:

(1) a completed and signed application for licensure on forms provided by the board that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1) and (2); and

(2) ~~the license application fee required under section 148.6445;~~ evidence of:

(i) completion of an occupational therapy refresher program that contains both theoretical and clinical components completed within the last year; or

(ii) current NBCOT certification.

~~(3) if applying for occupational therapist licensure, proof of having met a minimum of 24 contact hours of continuing education in the two years preceding licensure application, or if applying for occupational therapy assistant licensure, proof of having met a minimum of 18 contact hours of continuing education in the two years preceding licensure application;~~

~~(4) verified documentation of successful completion of 160 hours of supervised practice approved by the board under a limited license specified in section 148.6425, subdivision 3, paragraph (e); and~~

~~(5) additional information as requested by the board to clarify information in the application, including information to determine whether the individual has engaged in conduct warranting disciplinary action under section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.~~

~~(h) A person who applies for licensure under paragraph (b), (e), or (f) four years or more after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410, subdivision 2, must:~~

~~(1) meet all the requirements in paragraph (g) except clauses (3) and (4);~~

~~(2) submit documentation of having retaken and achieved a qualifying score on the credentialing examination for occupational therapists or occupational therapy assistants, or of having completed an occupational therapy refresher program that contains both a theoretical and clinical component approved by the board; and~~

~~(3) submit verified documentation of successful completion of 480 hours of supervised practice approved by the board under a limited license specified in section 148.6425, subdivision 3, paragraph (c). The 480 hours of supervised practice must be completed in six months and may be completed at the applicant's place of work. Only refresher courses completed within one year prior to the date of application qualify for approval.~~

Sec. 41. Minnesota Statutes 2024, section 148.6408, is amended by adding a subdivision to read:

Subd. 1a. **Qualifications.** To be licensed as an occupational therapist, an applicant must:

(1) satisfy the education and examination requirements of subdivisions 1b and 2; or

(2) satisfy the requirements for licensure by equivalency under section 148.6412 or licensure by reciprocity under section 148.6415 as applicable based on the current status of the applicant's NBCOT certification.

Sec. 42. Minnesota Statutes 2024, section 148.6408, subdivision 2, is amended to read:

Subd. 2. **Qualifying examination score required.** (a) An applicant must achieve a qualifying score on the ~~credentialing~~ certification examination for occupational therapist.

(b) The board shall determine the qualifying score for the ~~credentialing~~ certification examination for occupational therapist~~. In determining the qualifying score, the board shall consider the cut score~~ as recommended by the National Board for Certification in Occupational Therapy, or other national ~~credentialing~~ certification organization approved by the board~~, using the modified Angoff method for determining cut score or another method for determining cut score that is recognized as appropriate and acceptable by industry standards~~.

(c) ~~The applicant is responsible for~~ Applicants for licensure must:

(1) ~~making~~ make arrangements to take the ~~credentialing~~ certification examination for an occupational therapist;

(2) ~~bearing~~ bear all expenses associated with taking the examination; and

(3) ~~having the examination scores sent directly to the board from the testing service that administers the examination~~ submit an application and other materials as required by the board under section 148.6420.

Sec. 43. Minnesota Statutes 2024, section 148.6410, is amended by adding a subdivision to read:

Subd. 1a. **Qualifications.** To be licensed as an occupational therapist assistant, an applicant must:

(1) satisfy the education and examination requirements of subdivisions 1b and 2; or

(2) satisfy the requirements for licensure by equivalency under section 148.6412 or licensure by reciprocity under section 148.6415 as applicable based on the current status of the applicant's NBCOT certification.

Sec. 44. Minnesota Statutes 2024, section 148.6410, subdivision 2, is amended to read:

Subd. 2. **Qualifying examination score required.** (a) An applicant for licensure must achieve a qualifying score on the ~~credentialing~~ certification examination for occupational therapy assistants.

(b) The board shall determine the qualifying score for the ~~credentialing~~ certification examination for occupational therapy assistants~~. In determining the qualifying score, the board shall consider the cut score~~ as recommended by the National Board for Certification in Occupational Therapy, or other national ~~credentialing~~ certification organization approved by the board~~, using the modified Angoff method for determining cut score or another method for determining cut score that is recognized as appropriate and acceptable by industry standards~~.

(c) ~~The applicant is responsible for~~ Applicants for licensure must:

(1) ~~making~~ make all arrangements to take the ~~credentialing~~ certification examination for occupational therapy assistants;

(2) ~~bearing~~ bear all expense associated with taking the examination; and

(3) ~~having the examination scores sent directly to the board from the testing service that administers the examination~~ submit an application and other materials as required by the board under section 148.6420.

Sec. 45. Minnesota Statutes 2024, section 148.6412, subdivision 2, is amended to read:

Subd. 2. **Persons currently certified by ~~National Board for Certification in Occupational Therapy~~ NBCOT.** The board may license any person ~~certified by the National Board for Certification in Occupational Therapy~~ who holds current NBCOT certification as an occupational ~~therapist if the board determines the requirements for certification are equivalent to or exceed the requirements for licensure as an occupational therapist under section 148.6408~~ therapy practitioner. ~~The board may license any person certified by the National Board for Certification in Occupational Therapy as an occupational therapy assistant if the board determines the requirements for certification are equivalent to or exceed the requirements for licensure as an occupational therapy assistant under section 148.6410.~~ Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 46. Minnesota Statutes 2024, section 148.6412, subdivision 3, is amended to read:

Subd. 3. **Application procedures.** Applicants for licensure by equivalency must provide~~:~~

~~(1)~~ the application materials as required by section 148.6420, ~~subdivisions~~ subdivision 1~~, 3, and 4; and~~.

~~(2) the fees required by section 148.6445.~~

Sec. 47. Minnesota Statutes 2024, section 148.6415, is amended to read:

148.6415 LICENSURE BY RECIPROCITY.

~~A person who is not certified by the National Board for Certification in Occupational Therapy~~ The board may license any person who does not hold current NBCOT certification but who holds a compact privilege or a current credential as an occupational ~~therapist~~ therapy practitioner in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6408 ~~may be eligible for licensure by reciprocity as an occupational therapist. A person who is not certified by the National Board for Certification in Occupational Therapy but who holds a current credential as an occupational therapy assistant in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6410 may be eligible for licensure by reciprocity as an occupational therapy assistant.~~ or 148.6410 as an occupational therapy practitioner. Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to ~~148.6449~~ 148.645. An applicant must provide:

(1) the application materials as required by section 148.6420, ~~subdivisions~~ subdivision 1~~, 3, and~~ 4; and

~~(2) the fees required by section 148.6445;~~

~~(3) a copy of a current and unrestricted credential for the practice of occupational therapy as either an occupational therapist or occupational therapy assistant;~~

~~(4) a letter from the jurisdiction that issued the credential describing the applicant's qualifications that entitled the applicant to receive the credential; and~~

~~(5)~~ (2) other information necessary to determine whether the credentialing standards of the jurisdiction that issued the credential are equivalent to or exceed the requirements for licensure under sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 48. Minnesota Statutes 2024, section 148.6418, is amended to read:

148.6418 TEMPORARY LICENSURE.

Subdivision 1. **Application.** The board shall issue temporary licensure as an occupational ~~therapist or occupational~~ therapy ~~assistant~~ practitioner to applicants who are not the subject of a disciplinary action or past disciplinary action, nor disqualified on the basis of items listed in section 148.6448, subdivision 1.

Subd. 2. **Procedures.** To be eligible for temporary licensure, an applicant must submit a completed application for temporary licensure on forms provided by the board, the fees required by section 148.6445, and one of the following:

(1) evidence of successful completion of the requirements in section 148.6408, subdivision 1, or 148.6410, subdivision 1;

(2) a copy of a current and unrestricted credential for the practice of occupational therapy as ~~either~~ an occupational ~~therapist or occupational~~ therapy ~~assistant~~ practitioner in another jurisdiction; or

(3) a copy of a current and unrestricted ~~certificate~~ certification from the National Board for Certification in Occupational Therapy stating that the applicant is certified as an occupational ~~therapist or occupational~~ therapy ~~assistant~~ practitioner.

Subd. 3. **Additional documentation.** Persons who are ~~credentialed~~ certified by the National Board for Certification in Occupational Therapy or credentialed by another jurisdiction must provide ~~an affidavit~~ a statement with the application for temporary licensure stating that they are not the subject of a pending investigation or disciplinary action and have not been the subject of a disciplinary action in the past.

Subd. 4. **Supervision required.** An applicant who has graduated from an accredited occupational therapy program, as required by section 148.6408, subdivision 1, or 148.6410, subdivision 1, and who has not passed the examination required by section 148.6408, subdivision 2, or 148.6410, subdivision 2, must practice under the supervision of a licensed occupational therapist. The supervising therapist must, at a minimum, supervise the person working under temporary licensure in the performance of the initial evaluation, determination of the appropriate intervention plan, and periodic review and modification of the intervention plan. The supervising therapist must observe the person working under temporary licensure in order to ensure service competency in carrying out evaluation, intervention planning, and intervention implementation. The frequency of face-to-face collaboration between the person working under temporary licensure and the supervising therapist must be based on the condition of each patient or client, the complexity of intervention and evaluation procedures, and the proficiencies of the person practicing under temporary licensure. Following demonstrated service competency of the applicant, supervision must occur no less than every ten intervention days or every 30 calendar days, whichever occurs first. The occupational ~~therapist or occupational~~ therapy ~~assistant~~ practitioner working under temporary licensure must provide verification of supervision on the application form provided by the board. Supervising occupational therapists must have a minimum of six months of fully licensed practice to supervise a temporary licensee. The occupational therapy practitioner working under temporary licensure must notify the board before changing supervision.

Subd. 5. **Qualifying examination requirement; expiration and renewability.** (a) A person issued a temporary license pursuant to subdivision 2, clause (1), must demonstrate to the board within the temporary licensure period successful completion of the qualifying examination requirement under section 148.6408, subdivision 2, or section 148.6410, subdivision 2. A temporary license holder who fails the qualifying examination for a second time shall have their temporary license revoked effective upon notification to the temporary license holder of the examination score. It is the temporary license holder's obligation to submit to the board their qualifying examination scores and to refrain from practice if their temporary license is revoked. Failure to do so subjects the temporary license holder to disciplinary action pursuant to section 148.6448, subdivision 1, clause ~~(5)~~ (6). The board must not issue a temporary license to a person with two or more certification examination failures.

(b) A temporary license expires six months from the date of issuance or on the date the board grants or denies licensure, whichever occurs first.

(c) A temporary license is not renewable.

Sec. 49. Minnesota Statutes 2024, section 148.6420, subdivision 1, is amended to read:

Subdivision 1. **Applications for initial licensure.** (a) An applicant for initial licensure must:

(1) submit a completed application for licensure on forms provided by the board and must supply ~~the~~ all information and documentation requested on the application, including:

(i) the applicant's name, business address and business telephone number, ~~business setting,~~ primary email address, and ~~daytime~~ home or mobile telephone number;

~~(ii) the name and location of the occupational therapy program the applicant completed;~~

~~(iii)~~ (ii) a description of the applicant's education and training, including the name and location of the occupational therapy program the applicant completed and a list of ~~degrees received from~~ all other educational institutions attended;

~~(iv)~~ (iii) the applicant's work history for the six years preceding the application;

~~(v)~~ (iv) a list of all credentials currently and previously held in Minnesota and other jurisdictions;

~~(vi)~~ (v) a description of any jurisdiction's refusal to credential the applicant;

~~(vii)~~ (vi) a description of all professional disciplinary actions initiated against the applicant in any jurisdiction;

~~(viii)~~ (vii) information on any physical or mental condition or substance use disorder that impairs the person's ability to engage in the practice of occupational therapy with reasonable judgment or safety;

~~(ix)~~ (viii) a description of any misdemeanor or felony ~~conviction that relates to honesty or to the practice of occupational therapy~~ charges or convictions; ~~and~~

~~(x)~~ (ix) a description of any state or federal court order, including a conciliation court judgment or a disciplinary order, related to the individual's occupational therapy practice;

~~(2) submit with the application all fees required by section 148.6445;~~

~~(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;~~

~~(4) sign a waiver authorizing the board to obtain access to the applicant's records in this or any other state in which the applicant holds or previously held a credential for the practice of an occupation, has completed an accredited occupational therapy education program, or engaged in the practice of occupational therapy;~~

(x) any legal information required under chapter 214;

(xi) either documentation to demonstrate the completion of the required education and examination requirements under section 148.6408, subdivisions 1b and 2, or 148.6410, subdivisions 1b and 2; for applicants for licensure by equivalency under section 148.6412, documentation of current NBCOT certification; for applicants for licensure by reciprocity under section 148.6415, documentation submitted directly by the appropriate commission or government body verifying the license or credential; or verification from the Compact Commission of the applicant's practice status in Compact Commission states;

(xii) all application fees required by section 148.6445;

(xiii) evidence of completing a criminal background check according to section 214.075; and

(xiv) a signed statement affirming that the information in the application is true and correct to the best of the applicant's knowledge and belief;

~~(5)~~ (2) submit additional information as requested by the board; and

~~(6)~~ (3) submit ~~the~~ any additional information required for licensure by equivalency, licensure by reciprocity, licensure by compact privilege, and temporary licensure as specified in sections 148.6408 to 148.6418~~.~~ and 148.645. An applicant applying under section 148.6418 is exempt from providing documentation related to a criminal background check under clause (1), item (xiii). An applicant applying under section 148.6418, subdivision 4, is exempt from providing documentation related to previously held licenses or credentials under clause (1), item (iv).

(b) The board must not verify the status of an applicant under paragraph (a), clause (1), item (xi), by using another jurisdiction's publicly available website unless the other jurisdiction fails to provide the requested documentation after the applicant provides documentation of making the request.

Sec. 50. Minnesota Statutes 2024, section 148.6423, subdivision 1, is amended to read:

Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a licensee must:

(1) submit a completed and signed application for licensure renewal~~:~~ on forms provided by the board, including:

(i) updated personal information, including the renewal applicant's name, business address and business telephone number, primary email address, and home or mobile telephone number;

(ii) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

(iii) a signed statement affirming that the information in the renewal application is true and correct to the best of the applicant's knowledge and belief; and

(iv) any legal information required under chapter 214;

(2) submit the renewal fee required under section 148.6445;

(3) if audited, submit proof of having met the continuing education requirement of section 148.6443; and

(4) submit additional information as requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 calendar days of the board's request.

Sec. 51. Minnesota Statutes 2024, section 148.6423, is amended by adding a subdivision to read:

Subd. 1a. **License period.** Following the initial license period, a license period begins on the first day of the month after the licensee's birth month and must be renewed biennially.

Sec. 52. Minnesota Statutes 2024, section 148.6423, subdivision 2, is amended to read:

Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must be renewed every two years on or before the first day of the month after the licensee's birth month. Licensees must comply with the following procedures in paragraphs (b) to (e).

(b) Each license must state an expiration date. An application for licensure renewal must be received by the board ~~at least 30 calendar days~~ on or before the expiration date.

(c) If the board changes the renewal schedule and the expiration date is less than two years, the fee and the continuing education contact hours to be reported at the next renewal must be prorated.

(d) An application for licensure renewal not received within the time required under paragraph (b)~~, but received on or before the expiration date,~~ must be accompanied by a late fee in addition to the renewal fee specified by section 148.6445.

(e) Licensure renewals received after the expiration date must comply with the requirements of section 148.6425.

Sec. 53. Minnesota Statutes 2024, section 148.6425, subdivision 2, is amended to read:

Subd. 2. **Licensure renewal within one year after licensure expiration date.** A licensee whose application for licensure renewal is received after the licensure expiration date but within one year of the expiration date must submit the following:

(1) a completed and signed renewal application for licensure following lapse in licensed status~~;~~ on forms provided by the board, including:

(i) updated personal information, including the renewal applicant's name, business address and business telephone number, primary email address, and home or mobile telephone number;

(ii) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

(iii) a signed statement affirming that the information in the renewal application is true and correct to the best of the applicant's knowledge and belief;

(iv) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), item (xi);

(v) NBCOT verification of certification documentation; and

(vi) any legal information required under chapter 214;

(2) the renewal fee and the late fee required under section 148.6445;

(3) proof of having met the continuing education requirements in section 148.6443~~, subdivision 1~~; ~~and~~

(4) an employment verification form; and

~~(4)~~ (5) additional information as requested by the board to clarify information in the application, including information to determine whether the licensee has engaged in conduct warranting disciplinary action as set forth in section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.

Sec. 54. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision to read:

Subd. 4. **Licensure renewal within two years after license expiration date.** A licensee whose application for license renewal is received more than one year but less than two years after the expiration date must submit the following:

(1) a completed and signed renewal application for licensure following lapse in licensed status on forms provided by the board, including all information listed in subdivision 2, clause (1);

(2) the renewal fee and the late fee required under section 148.6445;

(3) proof of having met the continuing education requirements in section 148.6443;

(4) an employment verification form;

(5) evidence of completion of a criminal background check as required under section 214.075 and the associated fee; and

(6) additional information as requested by the board to clarify information in the application, including information to determine whether the licensee has engaged in conduct warranting disciplinary action as set forth in section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.

Sec. 55. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision to read:

Subd. 5. **Expiration due to nonrenewal after two years.** The board shall not renew, reissue, reinstate, or restore a license that is not subject to a pending review, investigation, or disciplinary action and has not been renewed within one biennial renewal cycle of the license expiration. An individual whose license has expired under this subdivision for nonrenewal must obtain a new

license by applying for licensure and fulfilling all requirements then in existence for an initial license to practice occupational therapy in Minnesota.

Sec. 56. Minnesota Statutes 2024, section 148.6428, is amended to read:

148.6428 CHANGE OF CONTACT INFORMATION OR EMPLOYMENT.

A licensee who changes a name, primary email address, address, employment, business address, or business telephone number must inform the board of the change ~~of name, primary email address, address, employment, business address, or business telephone number~~ within 30 calendar days from the effective date of the change. A change in name must be accompanied by a copy of a marriage certificate, government-issued identification card, Social Security card, or court order. All notices or other correspondence served on a licensee by the board at the licensee's contact information on file with the board must be considered as having been received by the licensee.

Sec. 57. **[148.6431] JURISPRUDENCE EXAMINATION.**

The board may require occupational therapy practitioners to take an open-book jurisprudence examination on state laws and rules regarding the practice of occupational therapy and occupational therapy assisting.

Sec. 58. Minnesota Statutes 2024, section 148.6432, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** If the professional standards identified in ~~section 148.6430~~ subdivision 1a permit an occupational therapist to delegate an evaluation, reevaluation, or treatment procedure, the occupational therapist must provide supervision consistent with this section.

Sec. 59. Minnesota Statutes 2024, section 148.6432, is amended by adding a subdivision to read:

Subd. 1a. **Delegation of duties.** (a) The occupational therapist may delegate to an occupational therapy assistant those portions of the client's evaluation, reevaluation, and intervention that, according to prevailing national practice standards, can be performed by an occupational therapy assistant.

(b) The occupational therapist is responsible for all duties delegated to the occupational therapy assistant.

(c) The occupational therapist may not delegate portions of an evaluation or reevaluation of a person whose condition is changing rapidly.

Sec. 60. Minnesota Statutes 2024, section 148.6432, subdivision 2, is amended to read:

Subd. 2. **Evaluations.** The occupational therapist shall determine the frequency of evaluations and reevaluations for each client. The occupational therapy assistant shall inform the occupational therapist of the need for more frequent reevaluation if indicated by the client's condition or response to treatment. Before delegating a portion of a client's evaluation pursuant to ~~section 148.6430~~ subdivision 1a, the occupational therapist shall ensure the service competency of the occupational therapy assistant in performing the evaluation procedure and shall provide supervision consistent with the condition of the patient or client and the complexity of the evaluation procedure.

Sec. 61. Minnesota Statutes 2024, section 148.6432, subdivision 3, is amended to read:

Subd. 3. **Intervention.** (a) The occupational therapist must determine the frequency and manner of supervision of an occupational therapy assistant performing intervention procedures delegated pursuant to ~~section 148.6430~~ subdivision 1a based on the condition of the patient or client, the complexity of the intervention procedure, and the service competency of the occupational therapy assistant.

(b) Face-to-face collaboration between the occupational therapist and the occupational therapy assistant must occur for all clients every ten intervention days or every 30 days, whichever comes first, during which time the occupational therapist is responsible for:

(1) planning and documenting an initial intervention plan and discharge from interventions;

(2) reviewing intervention goals, therapy programs, and client progress;

(3) supervising changes in the intervention plan;

(4) conducting or observing intervention procedures for selected clients and documenting appropriateness of intervention procedures. Clients must be selected based on the occupational therapy services provided to the client and the role of the occupational therapist and the occupational therapy assistant in those services; and

(5) ensuring the service competency of the occupational therapy assistant in performing delegated intervention procedures.

(c) Face-to-face collaboration must occur more frequently if necessary to meet the requirements of paragraph (a) or (b).

(d) The occupational therapist must document compliance with this subdivision in the client's file or chart.

Sec. 62. Minnesota Statutes 2024, section 148.6432, subdivision 4, is amended to read:

Subd. 4. **Exception.** (a) The supervision requirements of this section do not apply to an occupational therapy assistant who:

(1) works in an activities program; and

(2) does not perform occupational therapy services.

(b) The occupational therapy assistant must meet all other applicable requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 63. Minnesota Statutes 2024, section 148.6435, is amended to read:

148.6435 COORDINATION OF SERVICES.

An occupational therapist must:

(1) collect information necessary to ensure that the provision of occupational therapy services are consistent with the client's physical and mental health status. The information required to make this determination may include, but is not limited to, contacting the client's licensed health care professional for health history, current health status, current medications, and precautions;

~~(2) modify or terminate occupational therapy intervention of a client that is not beneficial to the client, not tolerated by the client, or refused by the client, and if intervention was terminated for a medical reason, notify the client's licensed health care professional by correspondence postmarked or delivered to the licensed health care professional within one week of the termination of intervention;~~

~~(3)~~ (2) refer a client to an appropriate health care, social service, or education practitioner if the client's condition requires services not within the occupational therapist's service competency or not within the practice of occupational therapy generally, or if the client's acuity warrants alternative care; and

~~(4)~~ (3) participate and cooperate in the coordination of occupational therapy services with other related services, as a member of the professional community serving the client.

Sec. 64. Minnesota Statutes 2024, section 148.6438, is amended to read:

148.6438 RECIPIENT NOTIFICATION.

Subdivision 1. **Required notification.** (a) In the absence of a ~~physician, advanced practice registered nurse, or physician assistant~~ licensed health care provider referral or prior authorization, and before providing occupational therapy services for remuneration or expectation of payment from the client, an occupational therapist must provide the following ~~written~~ notification ~~in all capital letters of 12-point or larger boldface type,~~ to the client, parent, or guardian in a format meeting national accessibility standards and the needs of the client, parent, or guardian:

"Your health care provider, insurer, or plan may require a ~~physician, advanced practice registered nurse, or physician assistant~~ licensed health care provider referral or prior authorization and you may be obligated for partial or full payment for occupational therapy services rendered."

(b) Information other than this notification may be included as long as the notification remains conspicuous on the face of the document. ~~A nonwritten disclosure format may be used to satisfy the recipient notification requirement when necessary to accommodate the physical condition of a client or client's guardian.~~

Subd. 2. **Evidence of recipient notification.** The occupational therapist is responsible for providing evidence of compliance with the recipient notification requirement of this section with documentation of the client, parent, or guardian agreement.

Sec. 65. Minnesota Statutes 2024, section 148.6443, subdivision 3, is amended to read:

Subd. 3. **Activities qualifying for continuing education contact hours.** (a) The activities in this subdivision qualify for continuing education contact hours if they meet all other requirements of this section.

(b) A minimum of one-half of the required contact hours must be directly related to occupational therapy practice. The remaining contact hours may be related to occupational therapy practice, the delivery of occupational therapy services, or to the practitioner's current professional role.

(c) A licensee may obtain an unlimited number of contact hours in any two-year continuing education period through participation in the following:

(1) attendance at educational programs of annual conferences, lectures, panel discussions, workshops, in-service training, seminars, and symposiums;

(2) successful completion of college or university courses. The licensee must obtain a grade of at least a "C" or a pass in a pass/fail course in order to receive credit. One college credit equals six continuing education contact hours; or

(3) successful completion of ~~home study~~ courses that ~~require the participant to demonstrate the participant's knowledge following completion of the course~~ provide documentation that the course was completed and that meet the requirements in subdivision 2.

(d) A licensee may obtain a maximum of one-half of the required contact hours in any two-year continuing education period for:

(1) teaching continuing education or occupational therapy related courses that meet the requirements of this section. A licensee is entitled to earn a maximum of two contact hours as preparation time for each contact hour of presentation time. Contact hours may be claimed only once for teaching the same course in any two-year continuing education period. A course schedule or brochure must be maintained for audit;

(2) supervising occupational therapist or occupational therapy assistant students. A licensee may earn one contact hour for every eight hours of student supervision. Licensees must ensure they receive documentation regarding each student supervised and the dates and hours each student was supervised. Contact hours obtained by student supervision must be obtained by supervising students from an occupational therapy education program accredited by the Accreditation Council for Occupational Therapy Education; and

~~(3) teaching or participating in courses related to leisure activities, recreational activities, or hobbies if the practitioner uses these interventions within the practitioner's current practice or employment; and~~

~~(4)~~ (3) engaging in research activities or outcome studies that are related to the practice of occupational therapy and associated with grants, postgraduate studies, or publications in professional journals or books.

(e) A licensee may obtain a maximum of two contact hours in any two-year continuing education period for continuing education activities in the following areas:

(1) personal skill topics: career burnout, communication skills, human relations, and similar topics;

(2) ~~training that is obtained in conjunction with a licensee's employment, occurs during a licensee's normal workday, and does not include subject matter specific to the fundamentals of occupational therapy~~ basic life support and CPR training; and

(3) participation for a minimum of one year on a professional committee or board.

Sec. 66. Minnesota Statutes 2024, section 148.6443, subdivision 4, is amended to read:

Subd. 4. **Activities not qualifying for continuing education contact hours.** Credit must not be granted for the following activities: hospital patient rounds~~,~~; entertainment or recreational activities~~,~~; volunteering; noneducational association meetings~~,~~; and employment orientation sessions and meetings, including but not limited to training required at the beginning of employment, annually, or routinely that is related to the employer's organization requirements.

Sec. 67. Minnesota Statutes 2024, section 148.6443, subdivision 5, is amended to read:

Subd. 5. **Reporting continuing education contact hours.** Each licensee must use the continuing education reporting form to verify meeting the continuing education requirements of this section. The licensee must maintain documentation, including but not limited to a signed certificate, transcript, or similar evidence of participation in an activity. The documentation must include ~~a~~:

(1) the title of the continuing education activity;

(2) a brief description of the continuing education activity prepared by the presenter or sponsor;

(3) the name of the sponsor, presenter, or author;

(4) the location and attendance dates;

(5) the number of contact hours; and

(6) the licensee's name.

Sec. 68. Minnesota Statutes 2024, section 148.6443, subdivision 6, is amended to read:

Subd. 6. **Auditing continuing education reports.** (a) The board may audit a percentage of the continuing education reports based on random selection. A licensee shall maintain all documentation required by this section for two years after the last day of the biennial licensure period in which the contact hours were earned.

(b) All renewal applications that are received after the expiration date may be subject to a continuing education report audit.

(c) Any licensee against whom a complaint is filed may be subject to a continuing education report audit.

(d) The licensee shall make the following information available to the board for auditing purposes:

(1) a copy of the completed continuing education reporting form for the continuing education reporting period that is the subject of the audit including all supporting documentation required by subdivision 5;

(2) documentation of university, college, or vocational school courses by a transcript and a course syllabus, listing in a course bulletin, or equivalent documentation that includes the course title, instructor's name, course dates, number of contact hours, and course content, objectives, or goals; and

(3) verification of attendance ~~by~~ that meets the requirements of subdivision 5 by submitting:

(i) a ~~signature of~~ certificate of attendance, or if a certificate is not available, other documentation from the presenter or a designee ~~at the continuing education activity on the continuing education report form or a certificate of attendance with the course name, course date, and licensee's name~~ submitted directly to the board confirming the requirements; or

~~(ii) a summary or outline of the educational content of an audio or video educational activity to verify the licensee's participation in the activity if a designee is not available to sign the continuing education report form; or~~

~~(iii)~~ (ii) verification of self-study programs by a certificate of completion ~~or other documentation indicating that the individual has demonstrated knowledge and has successfully completed the program~~.

Sec. 69. Minnesota Statutes 2024, section 148.6443, subdivision 7, is amended to read:

Subd. 7. **~~Waiver~~ Deferral of continuing education requirements.** The board may ~~waive or~~ defer all or part of the continuing education requirements of this section if the licensee submits a written request and provides satisfactory evidence to the board of illness, injury, financial hardship, family hardship, or other similar extenuating circumstances that preclude completion of the requirements during the licensure period. The request for a ~~waiver~~ deferral must be in writing, state the circumstances that constitute hardship, state the period of time the licensee wishes to have the continuing education requirement ~~waived~~ deferred, and state the alternative measures that will be taken if a ~~waiver~~ deferral is granted. The board must set forth, in writing, the reasons for granting or denying the ~~waiver~~ deferral. ~~Waivers~~ Deferrals granted by the board must specify, in writing, the time limitation and required alternative measures to be taken by the licensee. A request for ~~waiver~~ deferral must be denied if the board finds that the circumstances stated by the licensee do not support a claim of hardship, the requested time period for ~~waiver~~ deferral is unreasonable, the alternative measures proposed by the licensee are not equivalent to the continuing education activity being ~~waived~~ deferred, or the request for ~~waiver~~ deferral is not submitted to the board within 60 calendar days of the expiration date.

Sec. 70. Minnesota Statutes 2024, section 148.6443, subdivision 8, is amended to read:

Subd. 8. **Penalties for noncompliance.** The board shall refuse to renew or grant, or shall suspend, condition, limit, or otherwise qualify the license of any person who the board determines has failed to comply with the continuing education requirements of this section. A licensee may request reconsideration of the board's determination of noncompliance or the penalty imposed under this section by making a written request to the board within 30 calendar days of the date of notification

to the applicant. Individuals requesting reconsideration may submit information that the licensee wants considered in the reconsideration.

Sec. 71. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision to read:

Subd. 5a. **Compact privilege fee.** The fee for interstate licensure compact privilege to practice is $150.

Sec. 72. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision to read:

Subd. 7a. **Active mailing list.** The fee for the standard active licensee mailing list delivered electronically is $500.

Sec. 73. Minnesota Statutes 2024, section 148.6448, subdivision 1, is amended to read:

Subdivision 1. **Grounds for denial of licensure or discipline.** The board may deny an application for licensure, may approve licensure with conditions, or may discipline a licensee using any disciplinary actions listed in subdivision 3 on proof that the individual has:

(1) intentionally submitted false or misleading information to the board;

(2) obtained a license by means of fraud, misrepresentation, or concealment of material facts;

(3) failed, within 30 days, to provide information in response to a written request by the board;

~~(3)~~ (4) performed services of an occupational ~~therapist or occupational~~ therapy ~~assistant~~ practitioner in an incompetent manner or in a manner that falls below the community standard of care or national practice standards of care;

~~(4)~~ (5) failed to satisfactorily perform occupational therapy services during a period of temporary licensure;

~~(5)~~ (6) violated sections 148.6401 to ~~148.6449~~ 148.645;

~~(6)~~ (7) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

~~(7)~~ (8) been convicted of violating any state or federal law, rule, or regulation ~~which directly~~ that reasonably relates to the practice of occupational therapy;

(9) failed to report other licensees that have violated sections 148.6401 to 148.645;

~~(8)~~ (10) aided or abetted another person in violating any provision of sections 148.6401 to ~~148.6449~~ 148.645;

~~(9)~~ (11) been disciplined for conduct in the practice of an occupation by the state of Minnesota, another jurisdiction, or a national professional association, if any of the grounds for discipline are the same or substantially equivalent to those in sections 148.6401 to ~~148.6449~~ 148.645;

~~(10)~~ (12) not cooperated with the board in an investigation conducted according to subdivision 2;

~~(11)~~ (13) advertised in a manner that is false or misleading;

~~(12)~~ (14) engaged in dishonest, unethical, or unprofessional conduct in connection with the practice of occupational therapy that is likely to deceive, defraud, or harm the public;

(15) improperly managed client records, including but not limited to failure to maintain client records in a manner that meets community standards of care or nationally accepted practice standards;

~~(13)~~ (16) demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(17) inappropriately supervised or delegated or assigned tasks to an occupational therapy assistant, occupational therapy student, rehabilitation aide, or other licensed professional;

~~(14)~~ (18) performed medical diagnosis or provided intervention, other than occupational therapy, without being licensed to do so under the laws of this state;

~~(15)~~ (19) paid or promised to pay a commission or part of a fee to any person who contacts the occupational ~~therapist~~ therapy practitioner for consultation or sends patients to the occupational ~~therapist~~ therapy practitioner for intervention;

~~(16)~~ (20) engaged in an incentive payment arrangement, other than that prohibited by clause ~~(15)~~ (19), that promotes occupational therapy overutilization, whereby the referring person or person who controls the availability of occupational therapy services to a client profits unreasonably as a result of client intervention;

~~(17)~~ (21) engaged in abusive or fraudulent billing practices~~, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws~~;

~~(18)~~ (22) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

~~(19)~~ (23) performed services for a client who had no possibility of benefiting from the services;

~~(20)~~ (24) failed to refer a client for medical evaluation when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

~~(21)~~ (25) engaged in conduct with a client that is sexual or may reasonably be interpreted by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

~~(22)~~ (26) violated a federal or state court order, including a conciliation court judgment, or a disciplinary order issued by the board, related to the person's occupational therapy practice; or

~~(23)~~ (27) any other just cause related to the practice of occupational therapy.

Sec. 74. Minnesota Statutes 2024, section 148.6448, subdivision 2, is amended to read:

Subd. 2. **Investigation of complaints.** The board may initiate an investigation upon receiving a complaint or other oral or written communication that alleges or implies that a person has violated sections 148.6401 to ~~148.6449~~ 148.645. In the receipt, investigation, and hearing of a complaint that alleges or implies a person has violated sections 148.6401 to ~~148.6449~~ 148.645, the board must follow the procedures in sections 214.10 and 214.103.

Sec. 75. Minnesota Statutes 2024, section 148.6448, subdivision 4, is amended to read:

Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the board denying licensure renewal or upon notice that disciplinary actions have been imposed and the person is no longer entitled to practice occupational therapy and use the occupational therapy and licensed titles, the person shall cease to practice occupational therapy, to use titles protected by sections 148.6401 to ~~148.6449~~ 148.645, and to represent to the public that the person is licensed by the board.

Sec. 76. Minnesota Statutes 2024, section 148.6448, subdivision 6, is amended to read:

Subd. 6. **Authority to contract.** The board shall contract with the health professionals services program as authorized by sections 214.31 to 214.37 to provide these services to practitioners under this chapter. The health professionals services program does not affect the board's authority to discipline violations of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 77. Minnesota Statutes 2024, section 148.6449, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The Board of Occupational Therapy Practice consists of 11 members appointed by the governor. The members are:

(1) five occupational therapists licensed under sections 148.6401 to ~~148.6449~~ 148.645;

(2) three occupational therapy assistants licensed under sections 148.6401 to ~~148.6449~~ 148.645; and

(3) three public members, including two members who have received occupational therapy services or have a family member who has received occupational therapy services, and one member who is a health care professional or health care provider licensed in Minnesota.

Sec. 78. Minnesota Statutes 2024, section 148.6449, subdivision 2, is amended to read:

Subd. 2. **Qualifications of board members.** (a) The occupational therapy practitioners appointed to the board must represent a variety of practice areas and settings.

(b) At least ~~two occupational therapy practitioners~~ three members of the board must be employed or reside outside the seven-county metropolitan area.

(c) Board members must not serve for more than two full consecutive terms.

(d) Interstate licensure compact privilege holders are not eligible to serve on the board.

Sec. 79. Minnesota Statutes 2024, section 148.6449, subdivision 7, is amended to read:

Subd. 7. **Duties of the Board of Occupational Therapy Practice.** (a) The board shall:

(1) adopt and enforce rules and laws necessary for licensing occupational therapy practitioners;

(2) adopt and enforce rules for regulating the professional conduct of the practice of occupational therapy;

(3) issue licenses to qualified individuals in accordance with sections 148.6401 to ~~148.6449~~ 148.645;

(4) assess and collect fees for the issuance and renewal of licenses;

(5) educate the public about the requirements for licensing occupational therapy practitioners, educate occupational therapy practitioners about the rules of conduct, and enable the public to file complaints against applicants and licensees who may have violated sections 148.6401 to ~~148.6449~~ 148.645; and

(6) investigate individuals engaging in practices that violate sections 148.6401 to ~~148.6449~~ 148.645 and take necessary disciplinary, corrective, or other action according to section 148.6448.

(b) The board may adopt rules necessary to define standards or carry out the provisions of sections 148.6401 to ~~148.6449~~ 148.645. Rules shall be adopted according to chapter 14.

Sec. 80. Minnesota Statutes 2024, section 148B.53, subdivision 3, is amended to read:

Subd. 3. **~~Fee~~ Fees.** Nonrefundable fees are as follows:

(1) initial license application fee for licensed professional counseling (LPC) - $150;

(2) initial license fee for LPC - $250;

(3) annual active license renewal fee for LPC - $250 or equivalent;

(4) annual inactive license renewal fee for LPC - $125;

(5) initial license application fee for licensed professional clinical counseling (LPCC) - $150;

(6) initial license fee for LPCC - $250;

(7) annual active license renewal fee for LPCC - $250 or equivalent;

(8) annual inactive license renewal fee for LPCC - $125;

(9) license renewal late fee - $100 per month or portion thereof;

(10) copy of board order or stipulation - $10;

(11) certificate of good standing or license verification - $25;

(12) duplicate certificate fee - $25;

(13) professional firm renewal fee - $25;

(14) sponsor application for approval of a continuing education course - $60;

(15) initial registration fee - $50;

(16) annual registration renewal fee - $25;

(17) approved supervisor application processing fee - $30; ~~and~~

(18) temporary license for members of the military - $250; and

(19) interstate compact privilege to practice fee - not to exceed $100.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 81. Minnesota Statutes 2024, section 148E.180, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** (a) Nonrefundable application fees for licensure may not exceed the following amounts but may be adjusted lower by board action:

(1) for a licensed social worker, $75;

(2) for a licensed graduate social worker, $75;

(3) for a licensed independent social worker, $75;

(4) for a licensed independent clinical social worker, $75;

(5) for a temporary license, $50; ~~and~~

(6) for a license by endorsement, $115; and

(7) for a compact multistate license, $75.

(b) The fee for criminal background checks is the fee charged by the Bureau of Criminal Apprehension. The criminal background check fee must be included with the application fee as required according to section 148E.055.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 82. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision to read:

Subd. 2a. **Compact multistate license fees.** Nonrefundable compact multistate license fees must not exceed the following amounts but may be adjusted lower by board action:

(1) for a licensed social worker, $115;

(2) for a licensed graduate social worker, $210;

(3) for a licensed independent social worker, $305; and

(4) for a licensed independent clinical social worker, $335.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 83. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision to read:

Subd. 3a. **Compact multistate renewal fees.** Nonrefundable renewal fees for compact multistate licensure must not exceed the following amounts but may be adjusted lower by board action:

(1) for a licensed social worker, $115;

(2) for a licensed graduate social worker, $210;

(3) for a licensed independent social worker, $305; and

(4) for a licensed independent clinical social worker, $335.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 84. Minnesota Statutes 2024, section 148E.180, subdivision 5, is amended to read:

Subd. 5. **Late fees.** Late fees are the following nonrefundable amounts:

(1) renewal late fee, one-fourth of the applicable renewal fee specified in ~~subdivision~~ subdivisions 3 and 3a;

(2) supervision plan late fee, $40; and

(3) license late fee, $100 plus the prorated share of the applicable license ~~fee~~ fees specified in ~~subdivision~~ subdivisions 2 and 2a for the number of months during which the individual practiced social work without a license.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 85. Minnesota Statutes 2024, section 148E.180, subdivision 7, is amended to read:

Subd. 7. **Reactivation fees.** Reactivation fees are the following nonrefundable amounts:

(1) reactivation from a temporary leave or emeritus status, the prorated share of the renewal fee specified in subdivision 3; and

(2) reactivation of an expired license, 1-1/2 times the applicable renewal fees specified in ~~subdivision~~ subdivisions 3 and 3a.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 86. **[148G.01] TITLE.**

This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

Sec. 87. **[148G.02] SCOPE.**

This chapter applies to all applicants and licensees, all persons who use the title certified midwife, and all persons in or out of this state who provide certified midwifery services to patients who reside in this state, unless there are specific applicable exemptions provided by law.

Sec. 88. **[148G.03] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have the meanings given.

Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

Subd. 3. **Certification.** "Certification" means the formal recognition by the American Midwifery Certification Board of the knowledge, skills, and experience demonstrated by the achievement of standards identified by the American College of Nurse Midwives or any successor organization.

Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current and valid national certification as a certified midwife from the American Midwifery Certification Board or any successor organization and who is licensed by the board under this chapter.

Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

(1) managing, diagnosing, and treating women's primary health care beginning in adolescence, including pregnancy, childbirth, the postpartum period, care of the newborn, family planning, partner care management relating to sexual health, and gynecological care of women;

(2) ordering, performing, supervising, and interpreting diagnostic studies within the scope of certified midwifery practice, excluding:

(i) interpreting and performing specialized ultrasound examinations; and

(ii) interpreting computed tomography scans, magnetic resonance imaging scans, positron emission tomography scans, nuclear scans, and mammography;

(3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery practice;

(4) consulting with, collaborating with, or referring to other health care providers as warranted by the needs of the patient; and

(5) performing the role of educator in the theory and practice of midwifery.

Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health care professionals work together to meet the health care needs of a patient, as warranted by the needs of the patient.

Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who maintains primary management responsibility for a patient's care seeks advice or opinion of a physician, an advanced practice registered nurse, or another member of the health care team.

Subd. 8. **Encumbered.** "Encumbered" means:

(1) a license or other credential that is revoked, is suspended, or contains limitations on the full and unrestricted practice of certified midwifery when the revocation, suspension, or limitation is imposed by a state licensing board or other state regulatory entity; or

(2) a license or other credential that is voluntarily surrendered.

Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which the certified midwife is authorized to engage in certified midwifery. The initial licensure period is from six to 29 full calendar months starting on the day of licensure and ending on the last day of the certified midwife's month of birth in an even-numbered year if the year of birth is an even-numbered year, or in an odd-numbered year if the year of birth is an odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure renewal, the period starts on the first day of the month following expiration of the previous licensure period. The period ends the last day of the certified midwife's month of birth in an even- or odd-numbered year according to the certified midwife's year of birth.

Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed under chapter 147, an advanced practice registered nurse licensed under sections 148.171 to 148.235, or a certified midwife licensed under this chapter.

Subd. 11. **Midwifery education program.** "Midwifery education program" means a program of theory and practice offered by a university or college that leads to the preparation and eligibility for certification in midwifery and is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation.

Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife within the scope of certified midwifery practice, including an individual, family, group, or community.

Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09. Prescribing does not include recommending the use of a drug or therapeutic device that is not required by the federal Food and Drug Administration to meet the labeling requirements for prescription drugs and devices.

Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction reduced to writing provided to or for a patient for the preparation or use of a drug or therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply to prescriptions for drugs.

Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs a patient to a physician or another health care professional for management of a particular problem or aspect of the patient's care.

Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial direction of, setting expectations for, directing activities in, evaluating, and changing a course of action in certified midwifery care.

Sec. 89. **[148G.04] CERTIFIED MIDWIFE LICENSING.**

Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve as the faculty of record for clinical instruction in a midwifery distance learning program unless the person is licensed by the board under this chapter.

(b) An applicant for a license to practice as a certified midwife must apply to the board in a format prescribed by the board and pay a fee in an amount determined under section 148G.11.

(c) To be eligible for licensure, an applicant must:

(1) not hold an encumbered license or other credential as a certified midwife or equivalent professional designation in any state or territory;

(2) hold a current and valid certification as a certified midwife from the American Midwifery Certification Board or any successor organization acceptable to the board and provide primary source verification of certification to the board in a format prescribed by the board;

(3) have completed a graduate level midwifery education program that includes clinical experience, is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation, and leads to a graduate degree. The applicant must submit primary source verification of program completion to the board in a format prescribed by the board. The primary source verification must verify the applicant completed three separate graduate-level courses in physiology and pathophysiology; advanced health assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics, and pharmacotherapeutics of all broad categories of agents;

(4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(5) not have committed any acts or omissions that are grounds for disciplinary action in another jurisdiction or, if these acts were committed and would be grounds for disciplinary action as set forth in section 148G.13, the board has found after an investigation that sufficient remediation was made.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced in the certified midwife role, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The applicant must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Sec. 90. **[148G.05] LICENSURE RENEWAL; RELICENSURE.**

Subdivision 1. **Renewal; current applicants.** (a) A certified midwife must apply for renewal of the certified midwife's license before the certified midwife's licensure period ends. To be considered timely, the board must receive the certified midwife's application on or before the last day of the certified midwife's licensure period. A certified midwife's license lapses if the certified midwife's application is untimely.

(b) An applicant for license renewal must provide the board evidence of current certification or recertification as a certified midwife by the American Midwifery Certification Board or any successor organization.

(c) An applicant for license renewal must submit to the board the fee under section 148G.11, subdivision 2.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced as a certified midwife, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The licensee must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Subd. 3. **Relicensure; lapsed applicants.** A person whose license has lapsed who desires to resume practice as a certified midwife must apply for relicensure, submit to the board satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for the current licensure period. A penalty fee under section 148G.11, subdivision 4, is required from a person who practiced certified midwifery without current licensure. The board must relicense a person who meets the requirements of this subdivision.

Sec. 91. **[148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.**

Subdivision 1. **Notification requirement.** An individual licensed as a certified midwife must notify the board when the individual renews their certification. If a licensee fails to provide notification, the licensee is prohibited from practicing as a certified midwife.

Subd. 2. **Denial of license.** Refusal of an applicant to supply information necessary to determine the applicant's qualifications, failure to demonstrate qualifications, or failure to satisfy the requirements for a license contained in this chapter or rules of the board may result in denial of a license. The burden of proof is upon the applicant to demonstrate the qualifications and satisfaction of the requirements.

Sec. 92. **[148G.07] NAME CHANGE AND CHANGE OF ADDRESS.**

A certified midwife must maintain a current name and address with the board and must notify the board in writing within 30 days of any change in name or address. All notices or other correspondence mailed to or served upon a certified midwife by the board at the licensee's address on file with the board are considered received by the licensee.

Sec. 93. **[148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.**

Only those persons who hold a current license to practice certified midwifery in Minnesota may use the title of certified midwife. A certified midwife licensed by the board must use the designation of "CM" for professional identification and in documentation of services provided.

Sec. 94. **[148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.**

Subdivision 1. **Diagnosing, prescribing, and ordering.** Certified midwives, within the scope of certified midwifery practice, are authorized to:

(1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies and providers;

(2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend, and controlled substances, including sample drugs; and

(3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable medical devices and equipment, nutrition, diagnostic services, and supportive services, including but not limited to home health care, physical therapy, and occupational therapy.

Subd. 2. **Drug Enforcement Administration requirements.** (a) Certified midwives must:

(1) comply with federal Drug Enforcement Administration (DEA) requirements related to controlled substances; and

(2) file the certified midwife's DEA registrations and numbers, if any, with the board.

(b) The board must maintain current records of all certified midwives with a DEA registration and number.

Sec. 95. **[148G.10] FEES.**

The fees specified in section 148G.11 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 96. **[148G.11] FEE AMOUNTS.**

Subdivision 1. **Licensure.** The fee for licensure is $105.

Subd. 2. **Renewal.** The fee for licensure renewal is $85.

Subd. 3. **Practicing without current certification.** The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is $200 for the first month or part of a month and an additional $100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without a current certification or recertification on file with the board until the day the current certification or recertification is filed with the board.

Subd. 4. **Relicensure.** The fee for relicensure is $105. The fee for practicing without current licensure is two times the amount of the current renewal fee for any part of the first calendar month, plus the current renewal fee for any part of each subsequent month up to 24 months.

Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Sec. 97. **[148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.**

Subdivision 1. **Initial approval.** A university or college desiring to conduct a certified midwifery education program must submit evidence to the board that the university or college is prepared to:

(1) provide a program of theory and practice in certified midwifery leading to eligibility for certification in midwifery;

(2) achieve preaccreditation and eventual full accreditation by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. Instruction and required experience may be obtained in one or more institutions or agencies outside the applying university or college if the program retains accountability for all clinical and nonclinical teaching; and

(3) meet other standards established by law and by the board.

Subd. 2. **Continuing approval.** The board must, through the board's representative, annually survey all midwifery education programs in Minnesota for current accreditation status by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. If the results of the survey show that a certified midwifery education program meets all standards for continuing accreditation, the board must continue approval of the certified midwifery education program.

Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery education program is not maintaining the standards required by the American Commission on Midwifery Education or any successor organization, the board must obtain the defect in writing from the accrediting body. If a program fails to correct the defect to the satisfaction of the accrediting body and the accrediting body revokes the program's accreditation, the board must remove the program from the list of approved certified midwifery education programs.

Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified midwifery education program upon submission of satisfactory evidence that the certified midwifery education program of theory and practice meets the standards required by the accrediting body.

Sec. 98. **[148G.13] GROUNDS FOR DISCIPLINARY ACTION.**

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license of any person to practice certified midwifery under this chapter or otherwise discipline a licensee or applicant as described in section 148G.14. The following are grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. In the case of an applicant for licensure, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements;

(2) employing fraud or deceit in procuring or attempting to procure a license to practice certified midwifery;

(3) conviction of a felony or gross misdemeanor reasonably related to the practice of certified midwifery. Conviction, as used in this subdivision, includes a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not entered;

(4) revocation, suspension, limitation, conditioning, or other disciplinary action against the person's certified midwife credential in another state, territory, or country; failure to report to the board that charges regarding the person's certified midwifery license, certification, or other credential are pending in another state, territory, or country; or failure to report to the board having been refused a license or other credential by another state, territory, or country;

(5) failure or inability to practice as a certified midwife with reasonable skill and safety, or departure from or failure to conform to standards of acceptable and prevailing certified midwifery practice, including failure of a certified midwife to adequately supervise or monitor the performance of acts by any person working at the certified midwife's direction;

(6) engaging in unprofessional conduct, including but not limited to a departure from or failure to conform to statutes relating to certified midwifery practice or to the minimal standards of acceptable and prevailing certified midwifery practice, or engaging in any certified midwifery practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause;

(7) supervision or accepting the supervision of a midwifery function or a prescribed health care function when the acceptance could reasonably be expected to result in unsafe or ineffective patient care;

(8) actual or potential inability to practice certified midwifery with reasonable skill and safety to patients by reason of illness; by the reason of use of alcohol, drugs, chemicals, or any other material; or as a result of any mental or physical condition;

(9) adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or outside of Minnesota;

(10) engaging in any unethical conduct, including but not limited to conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause;

(11) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to a patient, or in sexual exploitation of a patient or former patient;

(12) obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws;

(15) improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of certified midwifery;

(17) violating a rule adopted by the board, an order of the board, a state or federal law relating to the practice of certified midwifery, or a state or federal narcotics or controlled substance law;

(18) knowingly providing false or misleading information to a patient that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;

(19) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(20) practicing outside the scope of certified midwifery practice as defined under section 148G.03, subdivision 5;

(21) making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148G.15, or failing to cooperate with an investigation of the board as required by section 148G.17;

(22) engaging in false, fraudulent, deceptive, or misleading advertising;

(23) failure to inform the board of the person's certification or recertification status as a certified midwife;

(24) engaging in certified midwifery practice without a license and current certification or recertification by the American Midwifery Certification Board or any successor organization; or

(25) failure to maintain appropriate professional boundaries with a patient. A certified midwife must not engage in practices that create an unacceptable risk of patient harm or of the impairment of a certified midwife's objectivity or professional judgment. A certified midwife must not act or

fail to act in a way that, as judged by a reasonable and prudent certified midwife, inappropriately encourages the patient to relate to the certified midwife outside of the boundaries of the professional relationship or in a way that interferes with the patient's ability to benefit from certified midwife services. A certified midwife must not use the professional relationship with a patient, student, supervisee, or intern to further the certified midwife's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided in paragraph (e), the board must not grant or renew a license to practice certified midwifery to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision 1 or 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or 1a, paragraphs (c) to (g); or a similar statute in another jurisdiction.

(b) A license to practice certified midwifery is automatically revoked if the licensee is convicted of an offense listed in paragraph (a).

(c) A license to practice certified midwifery that has been denied or revoked under this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become licensed if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant's sentence was discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant

or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2; an insurance company; or a government agency, including the Department of Human Services or Direct Care and Treatment. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 99. **[148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.**

Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for disciplinary action exist under section 148G.13, it may take one or more of the following actions:

(1) deny the license application or application for license renewal;

(2) revoke the license;

(3) suspend the license;

(4) impose limitations on the certified midwife's practice of certified midwifery, including but not limited to limitation of scope of practice or the requirement of practice under supervision;

(5) impose conditions on the retention of the license, including but not limited to the imposition of retraining or rehabilitation requirements or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review;

(6) impose a civil penalty not exceeding $10,000 for each separate violation. The amount of the civil penalty must be fixed so as to deprive the certified midwife of any economic advantage gained by reason of the violation charged; to reimburse the board for the cost of counsel, investigation, and proceeding; and to discourage repeated violations;

(7) order the certified midwife to provide unremunerated service;

(8) censure or reprimand the certified midwife; or

(9) any other action justified by the facts in the case.

Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a license to practice certified midwifery is automatically suspended if:

(1) a guardian of a certified midwife is appointed by order of a court under sections 524.5-101 to 524.5-502;

(2) the certified midwife is committed by order of a court under chapter 253B; or

(3) the certified midwife is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside of Minnesota.

(b) The license remains suspended until the certified midwife is restored to capacity by a court and, upon petition by the certified midwife, the suspension is terminated by the board after a hearing or upon agreement between the board and the certified midwife.

Subd. 3. **Temporary suspension of license.** In addition to any other remedy provided by law, the board may, through its designated board member under section 214.10, subdivision 2, temporarily suspend the license of a certified midwife without a hearing if the board finds that there is probable cause to believe the certified midwife has violated a statute or rule the board is empowered to enforce and continued practice by the certified midwife would create a serious risk of harm to others. The suspension takes effect upon written notice to the certified midwife, served by first-class mail, specifying the statute or rule violated. The suspension must remain in effect until the board issues a temporary stay of suspension or a final order in the matter after a hearing or upon agreement between the board and the certified midwife. At the time it issues the suspension notice, the board must schedule a disciplinary hearing to be held under the Administrative Procedure Act. The board must provide the certified midwife at least 20 days' notice of any hearing held under this subdivision. The board must schedule the hearing to begin no later than 30 days after the issuance of the suspension order.

Subd. 4. **Reissuance.** The board may reinstate and reissue a license to practice certified midwifery, but as a condition may impose any disciplinary or corrective measure that it might originally have imposed. Any person whose license has been revoked, suspended, or limited may have the license reinstated and a new license issued when, at the discretion of the board, the action is warranted, provided that the board must require the person to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the license; the relicensure fee; and the fee for the current licensure period. The cost of proceedings includes but is not limited to the cost paid by the board to the Office of Administrative Hearings and the Office of the Attorney General for legal and investigative services; the costs of a court reporter and witnesses, reproduction of records, board staff time, travel, and expenses; and the costs of board members' per diem reimbursements, travel costs, and expenses.

Sec. 100. **[148G.15] REPORTING OBLIGATIONS.**

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for discipline under section 148G.13 may report the alleged violation to the board.

Subd. 2. **Institutions.** The chief nursing executive or chief administrative officer of any hospital, clinic, prepaid medical plan, or other health care institution or organization located in Minnesota must report to the board any action taken by the institution or organization or any of its administrators or committees to revoke, suspend, limit, or condition a certified midwife's privilege to practice in the institution or as part of the organization, any denial of privileges, any dismissal from employment, or any other disciplinary action. The institution or organization must also report the resignation of any certified midwife before the conclusion of any disciplinary proceeding or before commencement of formal charges, but after the certified midwife had knowledge that formal charges were contemplated or in preparation. The reporting described by this subdivision is required only if the action pertains to grounds for disciplinary action under section 148G.13.

Subd. 3. **Licensed professionals.** A person licensed by a health-related licensing board as defined in section 214.01, subdivision 2, must report to the board personal knowledge of any conduct the person reasonably believes constitutes grounds for disciplinary action under section 148G.13 by any certified midwife, including conduct indicating that the certified midwife may be incompetent, may have engaged in unprofessional or unethical conduct, or may be mentally or physically unable to engage safely in the practice of certified midwifery.

Subd. 4. **Insurers.** (a) By the first day of February, May, August, and November each year, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to certified midwives must submit to the board a report concerning any certified midwife against whom a malpractice award has been made or who has been a party to a settlement. The report must contain at least the following information:

(1) the total number of settlements or awards;

(2) the date a settlement or award was made;

(3) the allegations contained in the claim or complaint leading to the settlement or award;

(4) the dollar amount of each malpractice settlement or award and whether that amount was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to substantiate a charge that a certified midwife may have engaged in conduct in violation of this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent jurisdiction must report to the board any judgment or other determination of the court that adjudges or includes a finding that a certified midwife is a person who is mentally ill, mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of operating a motor vehicle while under the influence of alcohol or a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502 or commits a certified midwife under chapter 253B.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2, 3, and 5 must be submitted no later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required under this section, may require that the reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting. The board must review all reports, including those submitted after the deadline.

Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report as required by law.

Sec. 101. **[148G.16] IMMUNITY.**

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability and criminal prosecution for submitting in good faith a report to the board under section 148G.15 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter. All such reports are investigative data as defined in chapter 13.

Subd. 2. **Investigation.** (a) Members of the board, persons employed by the board or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the board, or persons participating in the investigation or testifying regarding charges of violations are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

(b) Members of the board and persons employed by the board or engaged in maintaining records and making reports regarding adverse health care events are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 102. **[148G.17] CERTIFIED MIDWIFE COOPERATION.**

A certified midwife who is the subject of an investigation by or on behalf of the board must cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient or other records in the certified midwife's possession, as reasonably requested by the board, to assist the board in its investigation and to appear at conferences and hearings scheduled by the board. The board must pay for copies requested. If the board does not have written consent from a patient permitting access to the patient's records, the certified midwife must delete any data in the record that identify the patient before providing it to the board. The board must maintain any records obtained pursuant to this section as investigative data under chapter 13. The certified midwife must not be excused from giving testimony or producing any documents, books, records, or correspondence on the grounds of self-incrimination, but the testimony or evidence must not be used against the certified midwife in any criminal case.

Sec. 103. **[148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court must seal the administrative record, except for the board's final decision, and must not make the administrative record available to the public.

Sec. 104. **[148G.19] EXEMPTIONS.**

The provisions of this chapter do not prohibit:

(1) the furnishing of certified midwifery assistance in an emergency;

(2) the practice of certified midwifery by any legally qualified certified midwife of another state who is employed by the United States government or any bureau, division, or agency thereof while in the discharge of official duties;

(3) the practice of any profession or occupation licensed by Minnesota, other than certified midwifery, by any person licensed to practice the profession or occupation, or the performance by a person of any acts properly coming within the scope of the profession, occupation, or license;

(4) the practice of traditional midwifery as specified under section 147D.03;

(5) certified midwifery practice by a student practicing under the supervision of an instructor while the student is enrolled in an approved certified midwifery education program; or

(6) certified midwifery practice by a certified midwife licensed in another state, territory, or jurisdiction who is in Minnesota temporarily:

(i) providing continuing or in-service education;

(ii) serving as a guest lecturer;

(iii) presenting at a conference; or

(iv) teaching didactic content via distance education to a student located in Minnesota who is enrolled in a formal, structured course of study, such as a course leading to a higher degree in midwifery.

Sec. 105. **[148G.20] VIOLATIONS; PENALTY.**

Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm, or association to:

(1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or record, or aid or abet therein;

(2) practice certified midwifery under cover of any diploma, permit, license, certified midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;

(3) practice certified midwifery unless the person is licensed to do so under this chapter;

(4) use the professional title certified midwife or licensed certified midwife unless licensed to practice certified midwifery under this chapter;

(5) use any abbreviation or other designation tending to imply licensure as a certified midwife unless licensed to practice certified midwifery under this chapter;

(6) practice certified midwifery in a manner prohibited by the board in any limitation of a license issued under this chapter;

(7) practice certified midwifery during the time a license issued under this chapter is suspended or revoked;

(8) knowingly employ persons in the practice of certified midwifery who have not been issued a current license to practice as a certified midwife in this state; or

(9) conduct a certified midwifery program for the education of persons to become certified midwives unless the program has been approved by the board.

Subd. 2. **Penalty.** Any person, corporation, firm, or association violating any provision of subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a person who practices certified midwifery without a current license and certification or recertification, or without current certification or recertification on file with the board, is subject to the applicable penalties in section 148G.11.

Sec. 106. **[148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.**

The practice of certified midwifery by any person who is not licensed to practice certified midwifery under this chapter, whose license has been suspended or revoked, or whose national certification credential has expired is inimical to the public health and welfare and constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting officer and upon a proper showing of the facts, the district court of the county where the practice occurred may enjoin such acts and practice. The injunction proceeding is in addition to, and not in lieu of, all other penalties and remedies provided by law.

Sec. 107. Minnesota Statutes 2024, section 150A.105, is amended by adding a subdivision to read:

Subd. 3a. **Collaborative management agreement under armed forces.** (a) While practicing under the auspices of the Minnesota National Guard or any branch of the armed forces, including the Navy, Marines, Army, Coast Guard, or Space Force, the collaborating dentist may be determined by the command structure of the armed service for which the dental therapist is a member assigned or contracted.

(b) A collaborating dentist for a dental therapist when in civilian practice will not be responsible for supervising the dental services performed by the dental therapist while the dental therapist is practicing under the auspices of the armed forces.

Sec. 108. Minnesota Statutes 2024, section 151.01, subdivision 15, is amended to read:

Subd. 15. **Pharmacist intern or intern.** "Pharmacist intern" or "intern" means:

(1) a natural person who has completed college or school of pharmacy orientation or is otherwise enrolled in a doctor of pharmacy program accredited by the Accreditation Council for Pharmacy

Education (ACPE) and is satisfactorily progressing toward the degree in pharmacy required for licensure~~, or~~;

(2) a graduate of ~~the University of Minnesota College of Pharmacy, or other pharmacy college approved by the board,~~ a doctor of pharmacy program accredited by ACPE who is registered by the Board of Pharmacy for the purpose of obtaining practical experience as a requirement for licensure as a pharmacist~~, or~~;

(3) a qualified applicant awaiting examination for licensure~~.~~;

(4) a participant in a residency or fellowship program who is not licensed to practice pharmacy in Minnesota but is:

(i) licensed to practice pharmacy in another state; or

(ii) a graduate of a doctor of pharmacy program accredited by ACPE and not registered by the board under clause (2); or

(5) a foreign pharmacy graduate who:

(i) has passed the Foreign Pharmacy Graduate Equivalency Examination;

(ii) is certified by the Foreign Pharmacy Graduate Equivalency Commission; and

(iii) is seeking internship experience in accordance with Minnesota Rules, part 6800.1250.

Sec. 109. Minnesota Statutes 2024, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, licensed certified midwife, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section 151.37, subdivision 17.

Sec. 110. Minnesota Statutes 2024, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

(1) pharmacist licensed by examination, $225;

(2) pharmacist licensed by reciprocity, $300;

(3) pharmacy intern, ~~$75~~ $25;

(4) pharmacy technician, $60;

(5) pharmacy, $450;

(6) drug wholesaler, legend drugs only, $5,500;

(7) drug wholesaler, legend and nonlegend drugs, $5,500;

(8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, $5,500;

(9) drug wholesaler, medical gases, $5,500 for the first facility and $500 for each additional facility;

(10) third-party logistics provider, $300;

(11) drug manufacturer, nonopiate legend drugs only, $5,500;

(12) drug manufacturer, nonopiate legend and nonlegend drugs, $5,500;

(13) drug manufacturer, nonlegend or veterinary legend drugs, $5,500;

(14) drug manufacturer, medical gases, $5,500 for the first facility and $500 for each additional facility;

(15) drug manufacturer, also licensed as a pharmacy in Minnesota, $5,500;

(16) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, $55,500;

(17) medical gas dispenser, $400;

(18) controlled substance researcher, $150; and

(19) pharmacy professional corporation, $150.

Sec. 111. Minnesota Statutes 2024, section 151.065, subdivision 3, is amended to read:

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

(1) pharmacist, $225;

(2) pharmacy technician, $60;

(3) beginning January 1, 2026, pharmacy intern, $25;

~~(3)~~ (4) pharmacy, $450;

~~(4)~~ (5) drug wholesaler, legend drugs only, $5,500;

~~(5)~~ (6) drug wholesaler, legend and nonlegend drugs, $5,500;

~~(6)~~ (7) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, $5,500;

~~(7)~~ (8) drug wholesaler, medical gases, $5,500 for the first facility and $500 for each additional facility;

~~(8)~~ (9) third-party logistics provider, $300;

~~(9)~~ (10) drug manufacturer, nonopiate legend drugs only, $5,500;

~~(10)~~ (11) drug manufacturer, nonopiate legend and nonlegend drugs, $5,500;

~~(11)~~ (12) drug manufacturer, nonlegend, veterinary legend drugs, or both, $5,500;

~~(12)~~ (13) drug manufacturer, medical gases, $5,500 for the first facility and $500 for each additional facility;

~~(13)~~ (14) drug manufacturer, also licensed as a pharmacy in Minnesota, $5,500;

~~(14)~~ (15) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, $55,500;

~~(15)~~ (16) medical gas dispenser, $400;

~~(16)~~ (17) controlled substance researcher, $150; and

~~(17)~~ (18) pharmacy professional corporation, $150.

Sec. 112. Minnesota Statutes 2024, section 151.065, subdivision 6, is amended to read:

Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears, up to a maximum of $1,000.

(b) A pharmacy technician who has allowed the technician's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of $250.

(c) A pharmacy intern who has allowed the intern's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of $100.

~~(c)~~ (d) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics provider, or a medical gas dispenser who has allowed the license of the establishment to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears.

~~(d)~~ (e) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

~~(e)~~ (f) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 113. Minnesota Statutes 2024, section 151.101, is amended to read:

151.101 INTERNSHIP.

Subdivision 1. **Registration requirements.** (a) Upon payment of the fee specified in section 151.065, the board may register as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern registration prescribed by the board. ~~The board shall prescribe standards and requirements for interns, pharmacist-preceptors, and internship training but may not require more than one year of such training.~~

(b) The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Subd. 2. **Renewal requirements.** (a) Beginning January 1, 2026, an intern registration expires on September 30 each year or when the intern receives a pharmacist license, whichever is earlier.

(b) To renew an intern registration, the intern must file an application for renewal and submit the fee established under section 151.065 on or before September 1 each year.

(c) If the board does not receive the intern's registration renewal application on or before September 1 each year, the intern is subject to a late filing fee equal to 50 percent of the renewal fee under section 151.065 in addition to the renewal fee.

(d) An individual who received an intern registration under the criteria in section 151.01, subdivision 15, clause (1), and paid $75 for the individual's application fee between May 1, 2024, and June 30, 2025, is not subject to the $25 renewal fee for the first two renewal cycles following the $75 fee payment.

(e) If an individual is no longer enrolled in a doctor of pharmacy program accredited by the Accreditation Council for Pharmacy Education, the board must terminate that individual's intern registration effective the last date the individual was enrolled in a qualifying program.

(f) The board must not renew an intern registration unless the individual:

(1) has maintained current notices of employment for internship training with the board;

(2) submitted a progress report affidavit of the intern credit hours completed by June 15 each year;

(3) meets all other eligibility criteria for a pharmacist intern; and

(4) demonstrates to the board's satisfaction the individual is in good faith and with reasonable diligence pursuing a degree in pharmacy or is completing a pharmacy residency or fellowship.

(g) An intern whose registration has lapsed may renew the intern registration within one year of expiration, subject to the fees in paragraph (c). An intern whose registration has lapsed for more than one year must meet the registration requirements for an initial intern applicant in effect at the

time the individual applies for reinstatement and pay any fees and late fees in arrears in accordance with section 151.065.

(h) If the board receives a late renewal, reinstatement, or initial intern application from an eligible individual within 90 days before September 30, the board may extend the registration expiration date for that applicant to September 30 of the subsequent calendar year and prorate the application fee accordingly.

Subd. 3. **Internship credit hour requirements.** (a) To apply for licensure as a pharmacist under section 151.10, an individual must complete at least 1,600 intern credit hours under the direction and supervision of a preceptor.

(b) Of the 1,600 credit hours required under this subdivision, an intern may earn:

(1) a maximum of 80 credit hours in the individual's first professional academic year for a structured experience directed by the college of pharmacy that the individual attends and is overseen by college faculty, registered preceptors, or supervising licensed pharmacists;

(2) a maximum of 400 credit hours of concurrent time internship; and

(3) a maximum of 54 credit hours per week that may be earned from more than one site.

Sec. 114. Minnesota Statutes 2024, section 152.12, subdivision 1, is amended to read:

Subdivision 1. **Prescribing, dispensing, administering controlled substances in Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine, duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited to Schedules IV and V, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 115. **[153.30] FEES.**

Subdivision 1. **Nonrefundable fees.** The fees in this section are nonrefundable.

Subd. 2. **Fee amounts.** The amount of fees must be set by the board so that the total fees collected by the board equals as closely as possible the anticipated expenditures during the fiscal biennium, as provided in section 16A.1285. Fees must not exceed the following amounts but may be adjusted lower by board action:

(1) application for licensure fee, $1,000;

(2) renewal licensure fee, $1,000;

(3) late renewal fee, $250;

(4) temporary permit fee, $250;

(5) duplicate license fee or duplicate renewal certificate fee, $25;

(6) reinstatement fee, $1,250;

(7) examination administration fee for persons who have not applied for a license or permit, $50;

(8) verification of licensure fee, $50;

(9) label fee, $50;

(10) list of licensees fee, $50; and

(11) copies fee, $0.50 per page.

Subd. 3. **Current fee information.** Information about fees in effect at any time must be available from the board office.

Subd. 4. **Deposit of fees.** The license fees collected under this section must be deposited in the state government special revenue fund.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 116. Minnesota Statutes 2024, section 153B.85, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed $600.

(b) The biennial renewal fee for a license to practice as an orthotist, prosthetist, prosthetist orthotist, or pedorthist shall not exceed $600.

(c) The biennial renewal fee for a license to practice as an assistant or a fitter shall not exceed $300.

(d) The fee for license restoration shall not exceed $600.

(e) The fee for license verification shall not exceed ~~$30~~ $50.

(f) The fee to obtain a list of licensees shall not exceed ~~$25~~ $50.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 117. Minnesota Statutes 2024, section 153B.85, subdivision 3, is amended to read:

Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in effect at the time of renewal plus ~~$100~~ $250.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 118. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 1a. **Nonrefundable fees.** All fees are nonrefundable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 119. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 3. **Fee amounts.** Fees must not exceed the following amounts but may be adjusted lower by board action:

(1) initial application fee, $75;

(2) state examination fee, $75;

(3) duplicate license fee, $25;

(4) continuing education sponsor application fee, $75;

(5) mailing list fee, $250;

(6) initial veterinary license fee, $300;

(7) initial veterinary technician fee, $100;

(8) active veterinary renewal fee, $300;

(9) active veterinary technician renewal fee, $100;

(10) inactive veterinary renewal fee, $150;

(11) inactive veterinary technician renewal fee, $50;

(12) institutional license fee, $300;

(13) active late veterinary renewal fee, $150;

(14) active late veterinary technician renewal fee, $50;

(15) inactive late veterinary renewal fee, $100;

(16) inactive late veterinary technician renewal fee, $25; and

(17) institutional late renewal fee, $150.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 120. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 4. **License verification.** The board may charge a fee not to exceed $25 per license verification to a licensee for verification of licensure status provided to other veterinary licensing boards.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 121. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 5. **Deposit of fees.** The license fees collected under this section must be deposited in the state government special revenue fund.

Sec. 122. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services performed by a licensed certified midwife if:

(1) the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the facility payment;

(2) the service is otherwise covered under this chapter as a physician service; and

(3) the service is within the scope of practice of the certified midwife's license as defined under chapter 148G.

Sec. 123. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 148.6408, subdivision 1, as Minnesota Statutes, section 148.6408, subdivision 1b.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 148.6410, subdivision 1, as Minnesota Statutes, section 148.6410, subdivision 1b.

Sec. 124. **REPEALER.**

(a) Minnesota Statutes 2024, sections 148.108, subdivisions 2, 3, and 4; 148.6402, subdivision 22a; 148.6420, subdivisions 2, 3, and 4; 148.6423, subdivisions 4, 5, 7, 8, and 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, and 8; and 156.015, subdivision 1, are repealed.

(b) Minnesota Rules, parts 2500.1150; 2500.2030; 6800.5100, subpart 5; 6800.5400, subparts 5 and 6; 9100.0400, subparts 1 and 3; 9100.0500; and 9100.0600, are repealed.

(c) Minnesota Rules, part 6900.0250, subparts 1 and 2, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective July 1, 2025. Paragraph (c) is effective the day following final enactment.

ARTICLE 4

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2024, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or

researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the ~~Higher~~ Health and Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30;

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice;

(27) county commissioner;

(28) member of the Greater Minnesota Regional Parks and Trails Commission;

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2024, section 136A.25, is amended to read:

136A.25 CREATION.

A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority is hereby created.

Sec. 4. Minnesota Statutes 2024, section 136A.26, is amended to read:

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit membership association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting

member of the authority. The identity of the Minnesota nonprofit membership association shall be determined and may be changed from time to time by the members of the authority in accordance with and as shall be provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and~~ the president of the Private College Council, or the chief executive officer of the Minnesota nonprofit membership association described in subdivision 1b shall be as provided in section 15.0575.

Sec. 5. Minnesota Statutes 2024, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations in Minnesota be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~ that institutions of higher education within the state be provided with appropriate additional means to assist ~~such~~ youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for ~~such~~ those purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges~~; and~~. It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 6. Minnesota Statutes 2024, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with another entity. For purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the management and policies of the entity. Affiliate also means an entity whose business or substantially all of whose property is operated under a lease, management agreement, or operating agreement by another entity, or an entity who operates the business or substantially all of the property of another entity under a lease, management agreement, or operating agreement.

Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities Authority created by sections 136A.25 to 136A.42.

Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge, and shall~~ a health care facility or an education facility whether proposed, under construction, or completed, and includes land or interests in land, appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures, furniture, machinery, equipment, and parking. Project also includes other structures, facilities, improvements, machinery, equipment, and means of transport of a capital nature that are necessary or convenient for the operation of the facility. Project does not include: (1) any facility used or to be used for sectarian instruction or as a place of religious worship ~~nor~~; (2) any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; or (3) any books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are customarily deemed to result in a current operating charge.

Subd. 4. **Cost.** "Cost," as applied to a project or any portion ~~thereof~~ financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which ~~such~~ the buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of ~~such~~ construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and ~~such~~ other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of ~~such~~ construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution ~~for higher education~~ or any other lawfully pledged security of a participating institution ~~for higher education~~.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located in another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located in the contiguous state is an affiliate of a health care organization located in Minnesota.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use in Minnesota as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution ~~of higher education~~.** "Participating institution ~~of higher education~~" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions ~~of higher education~~ for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 7. Minnesota Statutes 2024, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Sec. 8. Minnesota Statutes 2024, section 136A.29, subdivision 3, is amended to read:

Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of ~~said~~ the employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision 3, participate. The authority may maintain an office space as it may designate.

Sec. 9. Minnesota Statutes 2024, section 136A.29, subdivision 6, is amended to read:

Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of ~~such~~ these purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution ~~of higher education~~ as its agent to determine the location and character of a project undertaken by ~~such~~ a participating institution ~~of higher education~~ under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of ~~such~~ these purposes, including contracts for the management and operation of ~~such~~ the project.

(b) Notwithstanding paragraph (a), a project involving a health care facility in Minnesota financed under sections 136A.25 to 136A.42 must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements in sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution ~~of higher education~~ to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Sec. 10. Minnesota Statutes 2024, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~$2,000,000,000~~ $5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the $5,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed $2,250,000,000 at any time and the aggregate principal amount used to fund health care facilities may not exceed $2,750,000,000 at any time.

Sec. 11. Minnesota Statutes 2024, section 136A.29, subdivision 10, is amended to read:

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that ~~such~~ the refinancing will enhance or preserve ~~such~~ the participating institutions and ~~such~~ the facilities or utilization ~~thereof~~ that is for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of ~~such~~ the participating institutions ~~of higher education~~ or costs met by federal or state public funds, or enhance or preserve health care or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution ~~of higher education~~. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution ~~of higher education~~ shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with ~~such~~ the refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Sec. 12. Minnesota Statutes 2024, section 136A.29, subdivision 14, is amended to read:

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution ~~of higher education~~ as its agent to establish rules for the use of a project undertaken for ~~such~~ a participating institution ~~of higher education~~.

Sec. 13. Minnesota Statutes 2024, section 136A.29, subdivision 19, is amended to read:

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each ~~such~~ bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer~~,~~ and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each ~~such~~ bond shall be paid by the authority.

Sec. 14. Minnesota Statutes 2024, section 136A.29, subdivision 20, is amended to read:

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or of the authority, and grant ~~such~~ easements and other rights in, over, under, or across a project as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release, disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and for such consideration as the authority in its judgment deems appropriate.

Sec. 15. Minnesota Statutes 2024, section 136A.29, subdivision 21, is amended to read:

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution ~~of higher education~~ for the cost of a project in accordance with an agreement between the authority and the participating institution ~~of higher education;~~, provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the participating institution ~~of higher education~~ and approved by the authority.

Sec. 16. Minnesota Statutes 2024, section 136A.29, subdivision 22, is amended to read:

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions ~~of higher education~~ its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment deems appropriate.

Sec. 17. Minnesota Statutes 2024, section 136A.29, is amended by adding a subdivision to read:

Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

Sec. 18. Minnesota Statutes 2024, section 136A.32, subdivision 1, is amended to read:

Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue bonds for purposes of sections 136A.25 to 136A.42, and all ~~such~~ revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to sections 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of ~~such~~ revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any ~~such~~ note, including renewals ~~thereof~~, shall not exceed five years from the date of issue of the original note. ~~Such~~ Notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. ~~Such~~ The notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

(b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on behalf of a health care organization to finance health care facilities, the authority must obtain consent by

resolution from each city or town where the project is located, except that consent need not be obtained in the case of a city or town with a population of less than 100,000. The consent by resolution requirement does not apply to financing under paragraph (a) on behalf of a participating institution that is primarily an institution of higher education.

Sec. 19. Minnesota Statutes 2024, section 136A.32, subdivision 4, is amended to read:

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with ~~any individual partnership, corporation or association or other body~~ one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to ~~such~~ agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition ~~thereof~~ of them;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging ~~such~~ the proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent ~~thereto~~ to, and the manner in which ~~such~~ consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of ~~such~~ the holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 20. Minnesota Statutes 2024, section 136A.32, is amended by adding a subdivision to read:

Subd. 4a. **Health care certification.** Health care organizations must provide the authority with a signed certificate from the health care organization stating that so long as authority financing for

the health care organization remains outstanding, none of the proceeds of the bonds to the health care organization may be directly or indirectly used to benefit a private party or private equity-funded entity.

Sec. 21. Minnesota Statutes 2024, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion ~~thereof~~ of the project. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain ~~such~~ provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including ~~particularly such~~ particular provisions ~~as have hereinabove~~ that have been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds ~~thereof~~. Any bank or trust company incorporated under the laws of the state ~~which~~ that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain ~~such~~ other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 22. Minnesota Statutes 2024, section 136A.34, subdivision 3, is amended to read:

Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending ~~such~~ use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at ~~such~~ a time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any ~~such~~ investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of ~~such~~ the proceeds and interest, income and profits, if any, earned or realized on the investments ~~thereof~~ may be returned to the authority for use by it in any lawful manner.

Sec. 23. Minnesota Statutes 2024, section 136A.34, subdivision 4, is amended to read:

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~ revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision 7.

Sec. 24. Minnesota Statutes 2024, section 136A.36, is amended to read:

136A.36 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and ~~to~~ may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~ the project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion ~~thereof~~ of the project, to the extent that the payment of ~~such~~ the cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of ~~such~~ the project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at ~~such~~ regular intervals as may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund ~~which~~ that is hereby pledged to, and charged with, the payment of the principal of and the interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery ~~thereof~~ or further act, and the lien of any ~~such~~ pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether ~~such~~ the parties have notice ~~thereof~~ of the pledge. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of ~~such~~ a sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of ~~such~~ bonds or of ~~such~~ a trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds issued to finance a project or projects at one or more participating institutions ~~of higher education~~ without distinction or priority of one over another; provided the authority in any ~~such~~ resolution or trust agreement may provide that ~~such~~ the sinking or other similar fund shall be the fund for a particular project at ~~an~~ a participating institution ~~of higher education~~ and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other

revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien bonds.

Sec. 25. Minnesota Statutes 2024, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in ~~such~~ bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. ~~Such~~ The bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 26. Minnesota Statutes 2024, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution ~~of higher education~~, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided ~~such~~ the trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any ~~such~~ trustee, director, officer or employee is involved.

Sec. 27. Minnesota Statutes 2024, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures ~~and shall annually report to the office~~. Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 28. Minnesota Statutes 2024, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Sec. 29. Minnesota Statutes 2024, section 354B.20, subdivision 7, is amended to read:

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

(1) the board;

(2) the Minnesota Office of Higher Education; and

(3) the ~~Higher~~ Health and Education Facilities Authority.

Sec. 30. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 15D, coded in Minnesota Statutes, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A, revise any statutory cross-references consistent with the recoding, and report the history in Minnesota Statutes, chapter 15D. The revisor of statutes shall change "Minnesota Higher Education Facilities Authority" to "Minnesota Health and Higher Education Facilities Authority" where it appears in Minnesota Statutes.

Sec. 31. **REPEALER.**

Minnesota Statutes 2024, section 136A.29, subdivision 4, is repealed.

ARTICLE 5

PHARMACY BENEFITS

Section 1. **[62Q.83] FORMULARY CHANGES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Drug" has the meaning given in section 151.01, subdivision 5.

(c) "Enrollee" has the meaning given in section 62Q.01, subdivision 2b.

(d) "Formulary" means a current list of covered prescription drug products that is subject to periodic review and update.

(e) "Health plan" has the meaning given in section 62Q.01, subdivision 3.

(f) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15.

(g) "Prescription" has the meaning given in section 151.01, subdivision 16a.

Subd. 2. **Formulary changes.** (a) Except as provided in paragraphs (b) and (c), a health plan must not, with respect to an enrollee who was previously prescribed the drug during the plan year, remove a drug from the health plan's formulary or place a drug in a benefit category that increases the enrollee's cost for the duration of the enrollee's plan year.

(b) Paragraph (a) does not apply if a health plan changes the health plan's formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(c) Paragraph (a) does not apply if a health plan removes a brand name drug from the health plan's formulary or places a brand name drug in a benefit category that increases the enrollee's cost if the health plan:

(1) adds to the health plan's formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee; and

(2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician, a physician assistant, or an advanced practice registered nurse employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control.

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply unless authorized by the commissioner or as provided in paragraph (h) or the drug appears on the 90-day supply list published by the commissioner. The 90-day supply list shall be published by the commissioner on the department's website. The commissioner may add to, delete from, and otherwise modify the 90-day supply list after providing public notice and the opportunity for a 15-day public comment period. The 90-day supply list may include cost-effective generic drugs and shall not include controlled substances.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing,

processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and excipients which are included in the medical assistance formulary. Medical assistance covers selected active pharmaceutical ingredients and excipients used in compounded prescriptions when the compounded combination is specifically approved by the commissioner or when a commercially available product:

(1) is not a therapeutic option for the patient;

(2) does not exist in the same combination of active ingredients in the same strengths as the compounded prescription; and

(3) cannot be used in place of the active pharmaceutical ingredient in the compounded prescription.

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the Formulary Committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders, and this determination shall not be subject to the requirements of chapter 14. A pharmacist may prescribe over-the-counter medications as provided under this paragraph for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under this paragraph, licensed pharmacists must consult with the recipient to determine necessity, provide drug counseling, review drug therapy for potential adverse interactions, and make referrals as needed to other health care professionals.

(e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible for drug coverage as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall not be covered.

(f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B covered entities and ambulatory pharmacies under common ownership of the 340B covered entity. Medical assistance does not cover drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

(g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists used for the treatment of

an acute opiate overdose prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 16.

(h) Medical assistance coverage for a prescription contraceptive must provide a 12-month supply for any prescription contraceptive if a 12-month supply is prescribed by the prescribing health care provider. The prescribing health care provider must determine the appropriate duration for which to prescribe the prescription contraceptives, up to 12 months. For purposes of this paragraph, "prescription contraceptive" means any drug or device that requires a prescription and is approved by the Food and Drug Administration to prevent pregnancy. Prescription contraceptive does not include an emergency contraceptive drug approved to prevent pregnancy when administered after sexual contact. For purposes of this paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

(i) Notwithstanding a removal of a drug from the drug formulary under subdivision 13d, except as provided in paragraphs (j) and (k), medical assistance covers a drug, with respect to an enrollee who was previously prescribed the drug during the calendar year when the drug was on the formulary, at the same level until January 1 of the calendar year following the year in which the commissioner removed the drug from the formulary.

(j) Paragraph (i) does not apply if the commissioner changes the drug formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(k) Paragraph (i) does not apply if the commissioner removes a brand name drug from the formulary if the commissioner:

(1) adds to the formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee; and

(2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of at least five licensed physicians actively engaged

in the practice of medicine in Minnesota, one of whom is an actively practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one of whom specializes in pediatrics, and one of whom actively treats persons with disabilities; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota, one of whom practices outside the metropolitan counties listed in section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; at least two consumer representatives, all of whom must have a personal or professional connection to medical assistance; and one representative designated by the Minnesota Rare Disease Advisory Council established under section 256.4835; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. Members of the Formulary Committee shall not be employed by the Department of Human Services or have a personal interest in a pharmaceutical company, pharmacy benefits manager, health plan company, or their affiliate organizations, but the committee shall be staffed by an employee of the department who shall serve as an ex officio, nonvoting member of the committee. For the purposes of this subdivision, "personal interest" means that a person owns at least five percent of the voting interest or equity interest in the entity, the equity interest owned by a person represents at least five percent of that person's net worth, or more than five percent of a person's gross income for the preceding year was derived from the entity. A committee member must notify the committee of any potential conflict of interest and recuse themselves from any communications, discussion, or vote on any matter where a conflict of interest exists. A conflict of interest alone, without a personal interest, does not preclude an applicant from serving as a member of the Formulary Committee. Members may be removed from the committee for cause after a recommendation for removal by a majority of the committee membership. For the purposes of this subdivision, "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug class. The department's medical director shall also serve as an ex officio, nonvoting member for the committee. Committee members shall serve three-year terms and may be reappointed twice by the commissioner. The committee members shall vote on a chair and vice chair from among their membership. The chair shall preside over all committee meetings, and the vice chair shall preside over the meetings if the chair is not present. The Formulary Committee shall meet at least three times per year. The commissioner may require more frequent Formulary Committee meetings as needed. An honorarium of $100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance. The Formulary Committee expires June 30, ~~2027~~ 2029. The Formulary Committee is subject to the Open Meeting Law under chapter 13D. For purposes of establishing a quorum to transact business, vacant committee member positions do not count in the calculation as long as at least 60 percent of the committee member positions are filled.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2024, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

(1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;

(2) over-the-counter drugs, except as provided in subdivision 13;

(3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;

(4) drugs or active pharmaceutical ingredients for which medical value has not been established;

(5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(6) medical cannabis flower as defined in section 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

(d) Within ten calendar days of any commissioner determination to change the drug formulary, the commissioner must provide written notice to all enrollees affected by the change. The notice must include a description of the change, the reason for the change, and the date the change will become effective.

(e) By January 15, 2026, and annually thereafter, the commissioner of human services must provide a report with data and information related to the effects on enrollees of drug formulary changes made in the prior calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The report must include but is not limited to data and information on:

(1) the number of times the formulary was changed;

(2) the reasons for the formulary changes and how frequently the formulary was changed for each reason;

(3) the drugs that were removed from the formulary;

(4) for each drug that was removed from the formulary, the number of enrollees who were prescribed that drug when it was removed;

(5) for each drug that was removed from the formulary, whether a therapeutically equivalent drug was added;

(6) the drugs that were added to the formulary;

(7) the fiscal impacts to the Department of Human Services resulting from the changes to the formulary; and

(8) enrollee populations or medical conditions disproportionately affected by the formulary changes.

Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain, unless the prescription savings club or prescription discount club is one in which an individual pays a recurring monthly access fee for unlimited access to a defined list of drugs for which the pharmacy does not bill the member or a payer on a per-standard-transaction basis. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be $11.55 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be $11.55 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be $11.55 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be $3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The ingredient cost for a drug is the lower of the National Average Drug Acquisition Cost (NADAC) ~~shall be used to determine the ingredient cost of a drug~~, the Minnesota actual acquisition cost (MNAAC) as defined in paragraph (i), or the maximum allowable cost. For drugs for which a NADAC, a MNAAC, or a maximum allowable cost is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be ~~either~~ the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration ~~or~~, the NADAC, the MNAAC, or the maximum allowable cost, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a ~~multisource~~ drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription

drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the lesser of the NADAC of the generic product, the MNAAC of the generic product, or the maximum allowable cost of the generic product established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2. If prior authorization is granted, the ingredient cost shall be the lesser of the NADAC of the brand name product, the MNAAC of the brand name product, or the maximum allowable cost of the brand name product. A generic product includes a generic drug, an authorized generic drug, and a biosimilar biological product as defined in Code of Federal Regulations, title 42, section 423.4. A brand name product includes a brand name drug, a brand name biological product, and an unbranded biological product as defined in Code of Federal Regulations, title 42, section 423.4.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the ~~specialty pharmacy rate~~ MNAAC, or the maximum allowable cost set by the commissioner. If the average sales price ~~is~~, the MNAAC, and the maximum allowable cost are unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider~~,~~ or the wholesale acquisition cost~~, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner~~. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

~~(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement.~~

~~In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.~~

~~(g)~~ (f) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

~~(h)~~ (g) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every ~~three~~ two years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

~~(i)~~ (h) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and ~~(f)~~ (e) by ~~1.8 percent~~ the amount of the wholesale drug distributor tax for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

(i) The commissioner shall contract with a vendor to create MNAAC through a periodic survey of enrolled pharmacy providers. Each pharmacy enrolled with the department to dispense outpatient prescription drugs must respond to the periodic surveys. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The current MNAAC rates must be publicly available on the department's or vendor's website. The commissioner must require that the MNAAC is measured and calculated at least quarterly, but the MNAAC can be measured and calculated more frequently. The commissioner must ensure that the vendor has an appeal process available to providers for the time between the measurement and calculation of the periodically updated MNAAC rates if price fluctuations result in a MNAAC that is lower than the price at which enrolled providers can purchase a drug. Establishment of the MNAAC and survey reporting requirements shall not be subject to the requirements of the Administrative Procedure Act. Data provided by pharmacies for the measurement and calculation of the MNAAC are nonpublic data as defined in section 13.02, subdivision 9.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and (8) any reason for which an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph ~~(h)~~ (g).

(c) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a Minnesota drug acquisition cost survey under section 256B.0625, subdivision 13e, paragraph (i).

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2024, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage for prescription drugs from the prepaid managed care contracts entered into under this section in order to increase savings to the state by collecting additional prescription drug rebates.

(b) The contracts must maintain incentives for the managed care plan to manage drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. The contracts must require that the managed care plans enter into contracts with the state's selected pharmacy benefit manager vendor to administer the pharmacy benefit.

(c) This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates.

Sec. 8. Minnesota Statutes 2024, section 256B.69, is amended by adding a subdivision to read:

Subd. 6i. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide a directed pharmacy dispensing payment of $4.50 per filled prescription to eligible outpatient retail

pharmacies in Minnesota to improve and maintain access to pharmaceutical services in rural and underserved areas of Minnesota. Managed care and county-based purchasing plans delivering services under section 256B.69 or 256B.692, and any pharmacy benefit managers under contract with these entities, must pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying the directed pharmacy dispensing payment must not reduce other payments to the pharmacy as a result of payment of the directed pharmacy dispensing payment.

(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 12 or fewer Minnesota pharmacies.

(c) In order to receive the directed pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements of paragraph (b).

(d) Managed care and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, shall pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of Minnesota. If, for any contract year, federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of this subdivision. Contracts between managed care plans and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, and providers to whom this subdivision applies, must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time.

(e) This subdivision expires on December 31, 2026.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. **[256B.696] PRESCRIPTION DRUGS; STATE PHARMACY BENEFIT MANAGER.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Managed care plans" means health plans and county-based purchasing organizations providing coverage to medical assistance and MinnesotaCare enrollees under the managed care delivery system.

(c) "Managed care enrollees" means medical assistance and MinnesotaCare enrollees receiving coverage from managed care plans.

(d) "State pharmacy benefit manager" means the pharmacy benefit manager selected pursuant to the procurement process in subdivision 2.

Subd. 2. **Procurement process.** (a) The commissioner must, through a competitive procurement process in compliance with paragraph (b), select a single pharmacy benefit manager to comply with the requirements set forth in subdivision 3. The single pharmacy benefit manager selected under this subdivision must be a prepaid ambulatory health plan, as defined in Code of Federal Regulations, title 42, section 438.2.

(b) When selecting the single pharmacy benefit manager, the commissioner must:

(1) accept applications for entities seeking to become the single pharmacy benefit manager;

(2) establish eligibility criteria an entity must meet in order to become the single pharmacy benefit manager; and

(3) enter into a master contract with a single pharmacy benefit manager.

(c) The contract required under paragraph (b), clause (3), must include provisions that prohibit the single pharmacy benefit manager from:

(1) requiring, enticing, or coercing an enrollee to obtain pharmacy services, including a prescription drug, from a pharmacy owned or otherwise affiliated with the single pharmacy benefit manager;

(2) communicating to an enrollee, in any manner, that the enrollee is required to obtain pharmacy services or have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy owned or affiliated with the single pharmacy benefit manager if there are other nonaffiliated pharmacies that have the ability to dispense the medication or provide the services and are also in network;

(3) requiring an enrollee to obtain pharmacy services, including a prescription drug, exclusively through a mail order pharmacy;

(4) directly or indirectly retroactively denying or reducing a claim or aggregate of claims for pharmacy services, including prescription drugs, after adjudication of the claim or aggregate of claims;

(5) paying or reimbursing a pharmacy or pharmacist for the ingredient drug product component of pharmacist services, including a prescription drug, less than the lesser of national average drug acquisition cost; the Minnesota actual acquisition cost (MNAAC) as defined in section 256B.0625, subdivision 13e, paragraph (i); or the maximum allowable cost as defined in section 62W.08 of that pharmacy service or prescription drug, or, if the national average drug acquisition cost is unavailable,

the wholesale acquisition cost minus two percent at the time the drug is administered or dispensed, plus a professional dispensing fee equal to the amount of the dispensing fee if it were determined pursuant to section 256B.0625, subdivision 13e; and

(6) denying a pharmacy or pharmacist the right to participate as a contract provider under the health plan if the pharmacy or pharmacist agrees to provide pharmacy services, including but not limited to prescription drugs that meet the terms and requirements set forth by the health plan and agrees to the terms of reimbursement set forth by the health plan company.

(d) Applicants for the single pharmacy benefit manager must disclose to the commissioner the following during the procurement process:

(1) any activity, policy, practice, contract, or arrangement of the single pharmacy benefit manager that may directly or indirectly present any conflict of interest with the pharmacy benefit manager's relationship with or obligation to the Department of Human Services, a health plan company, or a county-based purchasing organization;

(2) all common ownership, members of a board of directors, managers, or other control of the pharmacy benefit manager or any of the pharmacy benefit manager's affiliated companies with:

(i) a health plan company administering medical assistance or MinnesotaCare benefits in Minnesota or an affiliate of the health plan company;

(ii) a county-based purchasing organization;

(iii) an entity that contracts on behalf of a pharmacy or any pharmacy services administration organization and its affiliates;

(iv) a drug wholesaler or distributor and its affiliates;

(v) a third-party payer and its affiliates; or

(vi) a pharmacy and its affiliates;

(3) any direct or indirect fees, charges, or any kind of assessments imposed by the pharmacy benefit manager on pharmacies licensed in Minnesota with which the pharmacy benefit manager shares common ownership, management, or control, or that are owned, managed, or controlled by any of the pharmacy benefit manager's affiliated companies;

(4) any direct or indirect fees, charges, or any kind of assessments imposed by the pharmacy benefit manager on pharmacies licensed in Minnesota; and

(5) any financial terms and arrangements between the pharmacy benefit manager and a prescription drug manufacturer or labeler, including formulary management, drug substitution programs, educational support claims processing, or data sales fees.

Subd. 3. **Drug coverage.** (a) The commissioner may require the state pharmacy benefit manager to modify utilization review limitations, requirements, and strategies imposed by managed care plans on prescription drug coverage.

(b) The state pharmacy benefit manager is responsible for processing all point of sale outpatient pharmacy claims under the managed care delivery system. Managed care plans must use the state pharmacy benefit manager pursuant to the terms of the master contract required under subdivision 2, paragraph (b), clause (3). The pharmacy benefit manager selected is the exclusive pharmacy benefit manager used by health plan companies and county-based purchasing organizations when providing coverage to enrollees. The commissioner may require the managed care plans and state pharmacy benefit manager to directly exchange data and files for members enrolled with managed care plans.

(c) All payment arrangements between the Department of Human Services, managed care plans, and the state pharmacy benefit manager must comply with state and federal statutes, regulations adopted by the Centers for Medicare and Medicaid Services, and any other agreement between the department and the Centers for Medicare and Medicaid Services. The commissioner may change a payment arrangement to comply with this paragraph.

(d) The commissioner must administer and oversee this section to:

(1) ensure proper administration of prescription drug benefits for managed care enrollees; and

(2) increase the transparency of prescription drug prices and other information for the benefit of pharmacies.

Subd. 4. **Prescription drug disclosures.** (a) The state pharmacy benefit manager must, on request from the commissioner, disclose to the commissioner all sources of payment the pharmacy benefit manager receives for prescribed drugs, including drug rebates, discounts, credits, clawbacks, fees, grants, chargebacks, reimbursements, or other financial benefits or payments related to services provided for a managed care plan.

(b) Each managed care plan must disclose to the commissioner, in the format specified by the commissioner, the entity's administrative costs associated with providing pharmacy services under the managed care delivery system.

(c) The state pharmacy benefit manager must provide a written quarterly report to the commissioner containing the following information from the immediately preceding quarter:

(1) the prices the state pharmacy benefit manager negotiated for prescribed drugs under the managed care delivery system. The prices must include any rebates the state pharmacy benefit manager received from the drug manufacturer;

(2) unredacted copies of contracts between the state pharmacy benefit manager and enrolled pharmacies;

(3) any rebate amounts the state pharmacy benefit manager passed on to individual pharmacies;

(4) any changes to the information previously disclosed in accordance with subdivision 2, paragraph (d); and

(5) any other information required by the commissioner.

(d) The commissioner may request and collect additional information and clinical data from the state pharmacy benefit manager.

(e) At the time of contract execution, renewal, or modification, the commissioner must modify the reporting requirements under its managed care contracts as necessary to meet the requirements of this subdivision.

Subd. 5. **Program authority.** (a) To accomplish the requirements of subdivision 3, paragraph (d), the commissioner, in consultation with the Formulary Committee established under section 256B.0625, subdivision 13c, has the authority to:

(1) adopt or develop a preferred drug list for managed care plans;

(2) at the commissioner's discretion, engage in price negotiations with prescription drug manufacturers, wholesalers, or group purchasing organizations in place of the state pharmacy benefit manager to obtain price discounts and rebates for prescription drugs for managed care enrollees; and

(3) develop and manage a drug formulary for managed care plans.

(b) The commissioner may contract with one or more entities to perform any of the functions described in paragraph (a).

Subd. 6. **Pharmacies.** The commissioner may review contracts between the state pharmacy benefit manager and pharmacies for compliance with this section and the master contract required under subdivision 2, paragraph (b), clause (3). The commissioner may amend any term or condition of a contract that does not comply with this section or the master contract.

Subd. 7. **Federal approval.** The commissioner must seek any necessary federal approvals to implement this section.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, except that subdivision 7 is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 6

HUMAN SERVICES HEALTH CARE FINANCE

Section 1. Minnesota Statutes 2024, section 62A.673, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional under section 245I.04,

subdivision 2; a mental health practitioner under section 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, ~~2025~~ 2028, telehealth also includes audio-only communication between a health care provider and a patient ~~in accordance with subdivision 6, paragraph (b)~~ if the communication is a scheduled appointment and the standard of care for that particular service can be met through the use of audio-only communication or if, for substance use disorder treatment services and mental health care services delivered through telehealth by means of audio-only communication, the communication was initiated by the enrollee while in an emergency or crisis situation and a scheduled appointment was not possible due to the need of an immediate response. Telehealth does not include communication between health care providers that consists solely of a telephone conversation, email, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an email or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

(i) "Telemonitoring services" means the remote monitoring of clinical data related to the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits the data electronically to a health care provider for analysis. Telemonitoring is intended to collect an enrollee's health-related data for the purpose of assisting a health care provider in assessing and monitoring the enrollee's medical condition or status.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 62M.17, subdivision 2, is amended to read:

Subd. 2. **Effect of change in prior authorization clinical criteria.** (a) If, during a plan year, or a calendar year for fee-for-service providers under chapters 256B and 256L, a utilization review organization changes coverage terms for a health care service or the clinical criteria used to conduct prior authorizations for a health care service, the change in coverage terms or change in clinical criteria shall not apply until the next plan year, or the next calendar year for fee-for-service providers under chapters 256B and 256L, for any enrollee who received prior authorization for a health care service using the coverage terms or clinical criteria in effect before the effective date of the change.

(b) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a drug or device that has been deemed unsafe by the United States Food and Drug Administration (FDA); that has been withdrawn by either the FDA or the product manufacturer; or when an independent source of research, clinical guidelines, or evidence-based standards has issued drug- or device-specific warnings or recommended changes in drug or device usage.

(c) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to patient harm. This paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or renewed on or after that date.

(d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued, or renewed on or after that date, paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to previously unknown and imminent patient harm.

(e) Paragraph (a) does not apply if a utilization review organization removes a brand name drug from its formulary or places a brand name drug in a benefit category that increases the enrollee's cost, provided the utilization review organization (1) adds to its formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

Sec. 3. Minnesota Statutes 2024, section 256.9657, is amended by adding a subdivision to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means a hospital licensed under section 144.50 and located in Minnesota;

(2) "net outpatient revenue" means the value reflecting total outpatient revenue less Medicare revenue as calculated from Worksheet G of the hospital's most recent Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS) as of August 1 of each year; and

(3) "total patient days" means the value reflecting total hospital inpatient days as reported on Worksheet S-3 of the hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of each year.

(b) Subject to paragraphs (k) to (n), each eligible hospital must pay to the hospital directed payment program account assessments in an aggregate annual amount equal to the sum of the following:

(1) $120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

(c) The assessment amount for calendar years 2026 and 2027 must be based on the total patient days and net outpatient revenue in 2021 for each eligible hospital.

(d) The commissioner may, after consultation with the Minnesota Hospital Association, modify the rates of assessment in paragraph (b) as necessary to comply with federal law, obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or to otherwise maximize under this section federal financial participation for medical assistance. Notwithstanding the foregoing authorization to maximize federal financial participation for medical assistance, the commissioner must reduce the rates of assessment in paragraph (b) as necessary to ensure:

(1) the state's aggregated health care-related taxes on inpatient hospital services do not exceed five percent of the net patient revenue attributable to those services; and

(2) the state's aggregated health care-related taxes on outpatient hospital services do not exceed five percent of the net patient revenue attributable to those services.

(e) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the commissioner by paying four equal quarterly assessments. Eligible hospitals must pay the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Eligible hospitals must pay the assessments in the form and manner specified by the commissioner. An eligible hospital is prohibited from paying a quarterly assessment until the eligible hospital has received the applicable invoice under paragraph (f). The commissioner may make the assessment retroactive to the first quarter for which federal approval is effective.

(f) The commissioner must provide eligible hospitals with an invoice by December 1 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the assessment due July 1, and September 1 for the assessment due October 1 each year.

(g) The commissioner must notify each eligible hospital of its estimated annual assessment amount for the subsequent calendar year by October 15 each year.

(h) If any of the dates for assessments or invoices in paragraphs (e) to (g) fall on a holiday, the applicable date is the next business day.

(i) A hospital is not required to pay an assessment under this subdivision until the start of the first full fiscal year the hospital is an eligible hospital. A hospital that has merged with another hospital must have the hospital's assessment revised at the start of the first full fiscal year after the merger is complete. A closed hospital is retroactively responsible for assessments owed for services provided through the final date of operations.

(j) If the commissioner determines that a hospital has underpaid or overpaid an assessment, the commissioner must notify the hospital of the unpaid assessment or of any refund due.

(k) Revenue from an assessment under this subdivision must only be used by the commissioner to pay the nonfederal share of the directed payment program under section 256B.1974.

(l) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when:

(1) federal financial participation is unavailable, disallowed, or reduced by at least 15 percent relative to the state's share of medical assistance as of April 1, 2025; or

(2) a directed payment under section 256B.1974 is not approved by the Centers for Medicare and Medicaid Services.

(m) The commissioner must make the following discounts from the inpatient portion of the assessment under paragraph (b), clause (1), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) for Hennepin Healthcare, a discount of 25 percent off the inpatient portion of the assessment rate;

(2) for Mayo Rochester, a discount of ten percent off the inpatient portion of the assessment rate; and

(3) for Gillette Children's Hospital, a discount of 90 percent off the inpatient portion of the assessment rate.

(n) The commissioner must make the following discounts from the outpatient portion of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) for each critical access hospital or independent hospital located outside a city of the first class and paid under the Medicare prospective payment system, a discount of 40 percent off the outpatient portion of the assessment rate;

(2) for Gillette Children's Hospital, a discount of 90 percent off the outpatient portion of the assessment rate;

(3) for Hennepin Healthcare, a discount of 60 percent off the outpatient portion of the assessment rate; and

(4) for Mayo Rochester, a discount of 20 percent off the outpatient portion of the assessment rate.

(o) The commissioner must fully exempt the following from the assessment in this section:

(1) federal Indian Health Service facilities;

(2) state-owned or state-operated regional treatment centers and all state-operated services;

(3) federal Veterans Administration Medical Centers; and

(4) long-term acute care hospitals.

(p) If the federal share of the hospital directed payment program under section 256B.1974 is increased as the result of an increase to the federal medical assistance percentage, then the commissioner must reduce the assessment on a uniform percentage basis across eligible hospitals on which the assessment is imposed, such that the aggregate amount collected from hospitals under this subdivision does not exceed the total amount needed to maintain the same aggregate state and federal funding level for the directed payments authorized by section 256B.1974.

(q) Hospitals subject to the assessment under this subdivision must submit to the commissioner on an annual basis, in the form and manner specified by the commissioner in consultation with the Minnesota Hospital Association, all documentation necessary to determine the assessment amounts under this subdivision.

(r) Any disproportionate share hospital payments that are supplanted due to the implementation of the hospital directed payment program under section 256B.1974 must be redirected into the hospital directed payment program as an offset to the assessment under this section owed by all medical assistance disproportionate share hospitals as defined in section 256.969, subdivision 9, and reduce their assessments on a uniform basis.

(s) Any future state funding sources identified and used toward the hospital directed payment program under section 256B.1974 may be used to offset the assessment under this section.

EFFECTIVE DATE. (a) This section is effective the later of January 1, 2026, or federal approval of all of the following:

(1) this section; and

(2) the amendments in this act to Minnesota Statutes, sections 256B.1973 and 256B.1974.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval for all amendments set forth in paragraph (a) is obtained.

Sec. 4. Minnesota Statutes 2024, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except

a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

(k) Subject to subdivision 2g, effective for discharges occurring on or after January 1, 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific to each hospital that qualifies for a medical education and research cost distribution under section 62J.692, subdivision 4, paragraph (a).

(l) Effective for discharges occurring on or after January 1, 2028, or on or after the date of federal approval, whichever is later, the commissioner must increase:

(1) payments for inpatient behavioral health services provided by hospitals paid under the DRG methodology by increasing the adjustment for behavioral health services under section 256.969, subdivision 2b, paragraph (e); and

(2) capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increase provided under this paragraph. Managed care and county-based purchasing

plans must use the capitation rate increase provided under this clause to increase payment rates for inpatient behavioral health services provided by hospitals paid under the DRG methodology. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this clause, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this clause. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this clause. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services and consultations delivered by a health care provider through telehealth in the same manner as if the service or consultation was delivered through in-person contact. Services or consultations delivered through telehealth shall be paid at the full allowable rate.

(b) The commissioner may establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service through telehealth. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide through telehealth;

(2) has written policies and procedures specific to services delivered through telehealth that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the service is delivered through telehealth;

(4) has established protocols addressing how and when to discontinue telehealth services; and

(5) has an established quality assurance process related to delivering services through telehealth.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service delivered through telehealth to a medical assistance enrollee. Health care service records for services delivered through telehealth must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service delivered through telehealth;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the health care provider's basis for determining that telehealth is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission used to deliver the service through telehealth and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's consultation with another physician through telehealth, the written opinion from the consulting physician providing the telehealth consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) Telehealth visits provided through audio and visual communication or accessible video-based platforms may be used to satisfy the face-to-face requirement for reimbursement under the payment methods that apply to a federally qualified health center, rural health clinic, Indian health service, 638 tribal clinic, and certified community behavioral health clinic, if the service would have otherwise qualified for payment if performed in person.

(e) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations using real-time two-way interactive audio and visual communication or accessible telehealth video-based platforms to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes: the application of secure video conferencing consisting of a real-time, full-motion synchronized video; store-and-forward technology; and synchronous interactions, between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, email, or facsimile transmission or as specified by law, except that from July 1, 2025, to July 1, 2028, telehealth includes communication between a health care provider and a patient that solely consists of audio-only communication;

(2) "health care provider" means a health care provider as defined under section 62A.673; a community paramedic as defined under section 144E.001, subdivision 5f; a community health worker who meets the criteria under subdivision 49, paragraph (a); a mental health certified peer specialist under section 245I.04, subdivision 10; a mental health certified family peer specialist under section 245I.04, subdivision 12; a mental health rehabilitation worker under section 245I.04, subdivision 14; a mental health behavioral aide under section 245I.04, subdivision 16; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; or a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2016, medical assistance payment rates for ambulance services identified in this paragraph are increased by five percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2017, shall be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations as defined in section 144E.10 is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

(c) Effective for services provided statewide on or after January 1, 2026, medical assistance payment rates for ambulance services are increased by 15 percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2026, must be increased to reflect this rate increase.

(d) Effective for services provided on or after January 1, 2026, medical assistance payment rates for ambulance services identified in this paragraph are increased by ten percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2026, must be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations, as defined in section 144E.001, is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

~~(c)~~ (e) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (a) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

~~(d)~~ (f) Managed care plans and county-based purchasing plans must provide a fuel adjustment for ambulance services rates when fuel exceeds $3 per gallon. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if

capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires if federal approval is not received for this paragraph at any time.

Sec. 7. Minnesota Statutes 2024, section 256B.0625, subdivision 25c, is amended to read:

Subd. 25c. **Applicability of utilization review provisions.** (a) Effective January 1, 2026, the following provisions of chapter 62M apply to the commissioner when delivering services under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18, and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07; 62M.072; 62M.09; 62M.10; 62M.12; and 62M.17, subdivision 2~~; and 62M.18~~.

(b) By April 1, 2026, and each April 1 thereafter, managed care plans and county-based purchasing plans when the plan is providing coverage to enrollees under chapter 256B or 256L, and the commissioner when delivering services under chapters 256B and 256L, must post on the entity's public website the following data for the immediately preceding calendar year for each health plan or program:

(1) the number of prior authorization requests for which an authorization was issued;

(2) the number of prior authorization requests for which an adverse determination was issued and sorted by:

(i) health care service;

(ii) whether the adverse determination was appealed; and

(iii) whether the adverse determination was upheld or reversed on appeal;

(3) the number of prior authorization requests that were submitted electronically and not by facsimile or email or other method pursuant to section 62J.497; and

(4) the reasons for prior authorization denial, including but not limited to:

(i) the patient did not meet prior authorization criteria;

(ii) the provider submitted incomplete information to the utilization review organization;

(iii) a change in treatment program; and

(iv) the patient is no longer covered by the plan or program.

(c) All information posted under paragraph (b) must be written in easily understandable language.

Sec. 8. Minnesota Statutes 2024, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural

health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act, as provided under paragraph (k).

(h) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:

(1) FQHCs and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county-based purchasing plan to the plan, on a regular basis; or

(2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(k) The commissioner shall establish an encounter payment rate that is equivalent to the all inclusive rate (AIR) payment established by the Indian Health Service and published in the Federal Register. The encounter rate must be updated annually and must reflect the changes in the AIR established by the Indian Health Service each calendar year. FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act may elect to be paid: (1) at the encounter rate established under this paragraph; (2) under the alternative payment methodology described in paragraph (l); or (3) under the federally required prospective payment system described in paragraph (f). FQHCs that elect to be paid at the encounter rate established under this paragraph must continue to meet all state and federal requirements related to FQHCs and urban Indian organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

(2) each FQHC and rural health clinic is eligible for same day reimbursement of one medical and one dental organization encounter rate if eligible medical and dental visits are provided on the same day;

(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance with current applicable Medicare cost principles, their allowable costs, including direct patient care costs and patient-related support services. Nonallowable costs include, but are not limited to:

(i) general social services and administrative costs;

(ii) retail pharmacy;

(iii) patient incentives, food, housing assistance, and utility assistance;

(iv) external lab and x-ray;

(v) navigation services;

(vi) health care taxes;

(vii) advertising, public relations, and marketing;

(viii) office entertainment costs, food, alcohol, and gifts;

(ix) contributions and donations;

(x) bad debts or losses on awards or contracts;

(xi) fines, penalties, damages, or other settlements;

(xii) fundraising, investment management, and associated administrative costs;

(xiii) research and associated administrative costs;

(xiv) nonpaid workers;

(xv) lobbying;

(xvi) scholarships and student aid; and

(xvii) nonmedical assistance covered services;

(4) the commissioner shall review the list of nonallowable costs in the years between the rebasing process established in clause (5), in consultation with the Minnesota Association of Community

Health Centers, FQHCs, and rural health clinics. The commissioner shall publish the list and any updates in the Minnesota health care programs provider manual;

(5) the initial applicable base year organization encounter rates for FQHCs and rural health clinics shall be computed for services delivered on or after January 1, 2021, and:

(i) must be determined using each FQHC's and rural health clinic's Medicare cost reports from 2017 and 2018;

(ii) must be according to current applicable Medicare cost principles as applicable to FQHCs and rural health clinics without the application of productivity screens and upper payment limits or the Medicare prospective payment system FQHC aggregate mean upper payment limit;

(iii) must be subsequently rebased every two years thereafter using the Medicare cost reports that are three and four years prior to the rebasing year. Years in which organizational cost or claims volume is reduced or altered due to a pandemic, disease, or other public health emergency shall not be used as part of a base year when the base year includes more than one year. The commissioner may use the Medicare cost reports of a year unaffected by a pandemic, disease, or other public health emergency, or previous two consecutive years, inflated to the base year as established under item (iv);

(iv) must be inflated to the base year using the inflation factor described in clause (6); and

(v) the commissioner must provide for a 60-day appeals process under section 14.57;

(6) the commissioner shall annually inflate the applicable organization encounter rates for FQHCs and rural health clinics from the base year payment rate to the effective date by using the CMS FQHC Market Basket inflator established under United States Code, title 42, section 1395m(o), less productivity;

(7) FQHCs and rural health clinics that have elected the alternative payment methodology under this paragraph shall submit all necessary documentation required by the commissioner to compute the rebased organization encounter rates no later than six months following the date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid Services;

(8) the commissioner shall reimburse FQHCs and rural health clinics an additional amount relative to their medical and dental organization encounter rates that is attributable to the tax required to be paid according to section 295.52, if applicable;

(9) FQHCs and rural health clinics may submit change of scope requests to the commissioner if the change of scope would result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate currently received by the FQHC or rural health clinic;

(10) for FQHCs and rural health clinics seeking a change in scope with the commissioner under clause (9) that requires the approval of the scope change by the federal Health Resources Services Administration:

(i) FQHCs and rural health clinics shall submit the change of scope request, including the start date of services, to the commissioner within seven business days of submission of the scope change to the federal Health Resources Services Administration;

(ii) the commissioner shall establish the effective date of the payment change as the federal Health Resources Services Administration date of approval of the FQHC's or rural health clinic's scope change request, or the effective start date of services, whichever is later; and

(iii) within 45 days of one year after the effective date established in item (ii), the commissioner shall conduct a retroactive review to determine if the actual costs established under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate, and if this is the case, the commissioner shall revise the rate accordingly and shall adjust payments retrospectively to the effective date established in item (ii);

(11) for change of scope requests that do not require federal Health Resources Services Administration approval, the FQHC and rural health clinic shall submit the request to the commissioner before implementing the change, and the effective date of the change is the date the commissioner received the FQHC's or rural health clinic's request, or the effective start date of the service, whichever is later. The commissioner shall provide a response to the FQHC's or rural health clinic's request within 45 days of submission and provide a final approval within 120 days of submission. This timeline may be waived at the mutual agreement of the commissioner and the FQHC or rural health clinic if more information is needed to evaluate the request;

(12) the commissioner, when establishing organization encounter rates for new FQHCs and rural health clinics, shall consider the patient caseload of existing FQHCs and rural health clinics in a 60-mile radius for organizations established outside of the seven-county metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan area. If this information is not available, the commissioner may use Medicare cost reports or audited financial statements to establish base rates;

(13) the commissioner, when establishing organization encounter rates under this section for FQHCs and rural health clinics resulting from a merger of existing clinics or the acquisition of an existing clinic by another existing clinic, must use the combined costs and caseloads from the clinics participating in the merger or acquisition to set the encounter rate for the new clinic organization resulting from the merger or acquisition. The scope of services for the newly formed clinic must be inclusive of the scope of services of the clinics participating in the merger or acquisition;

~~(13)~~ (14) the commissioner shall establish a quality measures workgroup that includes representatives from the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics, to evaluate clinical and nonclinical measures; and

~~(14)~~ (15) the commissioner shall not disallow or reduce costs that are related to an FQHC's or rural health clinic's participation in health care educational programs to the extent that the costs are not accounted for in the alternative payment methodology encounter rate established in this paragraph.

(m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC. Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to comply with federal regulations do

apply to a Tribal FQHC. The commissioner shall establish an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses the same method and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

(n) FQHC reimbursement for mental health targeted case management services is limited to:

(1) only those services described under section 256B.0625, subdivision 20, and provided in accordance with contracts executed with counties authorized to subcontract for mental health targeted case management services; and

(2) an FQHC's actual incurred costs as separately reported on the cost report submitted to the Centers for Medicare and Medicaid Services and further identified in reports submitted to the commissioner.

(o) Counties contracting with FQHCs for mental health targeted case management remain responsible for the nonfederal share of the cost of the provided mental health targeted case management services. The commissioner must bill each county for the nonfederal share of the mental health targeted case management costs as reported by the FQHC.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2024, section 256B.0625, subdivision 54, is amended to read:

Subd. 54. **Services provided in birth centers.** (a) Medical assistance covers services provided in a licensed birth center by a licensed health professional if the service would otherwise be covered if provided in a hospital.

(b) Facility services provided by a birth center shall be paid at ~~the lower of billed charges or 70~~ 100 percent of the ~~statewide average for a facility payment rate made to a hospital~~ hospital facility fee cost trended to current for an uncomplicated vaginal birth as determined using the most recent calendar year for which complete claims data is available. If a recipient is transported from a birth center to a hospital prior to the delivery, the payment for facility services to the birth center shall be ~~the lower of billed charges or 15~~ 100 percent of the ~~average~~ hospital facility ~~payment made to a hospital for the services provided~~ fee cost trended to current for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data is available.

(c) ~~Nursery care~~ Facility services provided to a newborn by a birth center shall be paid ~~the lower of billed charges or 70~~ at 100 percent of ~~the statewide average for a payment rate paid to a hospital for nursery care as determined by using the most recent calendar year for which complete claims data is available~~ the hospital facility fee for a normal newborn as determined using the most recent calendar year for which complete claims data is available, cost trended to current.

(d) Professional services provided by traditional midwives licensed under chapter 147D shall be paid at the lower of billed charges or 100 percent of the rate paid to a physician performing the same services. If a recipient is transported from a birth center to a hospital prior to the delivery, a licensed traditional midwife who does not perform the delivery may not bill for any delivery services. Services are not covered if provided by an unlicensed traditional midwife.

(e) Licensed health professionals working in licensed birth centers shall be reimbursed for the full range of maternity care and newborn care services within their scope of practice, regardless of place of service. The commissioner shall review current birth center reimbursement and, in consultation with birth centers currently licensed in the state, develop revisions to current payment practices in order to ensure reimbursement for the full range of maternity care and newborn care services, including but not limited to:

(1) professional services for intrapartum care when a recipient is transferred from a birth center to a hospital prior to delivery;

(2) professional services billed with a home place of service code by a licensed health professional within their scope of practice;

(3) professional services when a licensed health professional provides any Minnesota mandated newborn screening, including but not limited to the newborn metabolic screen, CCHD screening, hearing screen, or any other medically necessary newborn screening, test, or assessment; and

(4) telehealth services provided by any licensed health professional working in a birth center.

(f) Managed care organizations and county-based purchasing plans contracted to provide medical assistance coverage under section 256B.69 shall reimburse licensed birth centers and licensed health professionals working in licensed birth centers for the full range of maternity care services within their scope of practice, regardless of place of service, as determined in paragraph (e) at no less than the medical assistance fee for service fee schedule for the year in which the service is provided.

~~(e)~~ (g) The commissioner shall apply for any necessary waivers from the Centers for Medicare and Medicaid Services to allow birth centers and birth center providers to be reimbursed.

Sec. 10. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 54a. **Home birth.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "birth services" means prenatal, labor, birth, and postpartum services;

(2) "eligible provider" means a licensed or certified health care professional eligible for reimbursement under the medical assistance program; and

(3) "low-risk patient for birth services" means a person undergoing a normal, uncomplicated prenatal course as determined by documentation of adequate prenatal care who anticipates a normal, uncomplicated labor and birth, as defined by reasonable and generally accepted criteria adopted by professional groups for maternal, fetal, and neonatal health care.

(b) Medical assistance covers birth services provided at home when the following conditions are met:

(1) the birth services are provided by an eligible provider whose scope of practice and experience includes home birth;

(2) the recipient is a low-risk patient for birth services; and

(3) the recipient has a plan of care that includes:

(i) a consent form detailing the risks and benefits of home birth signed by the recipient;

(ii) sufficient visits, test results, and follow-up consultations as needed to establish that the recipient is a low-risk patient for birth services; and

(iii) a plan for transfer to a hospital as needed.

(c) Services provided under this subdivision by an eligible provider must be paid at a rate at least equal to 100 percent of the rate paid to a physician performing the same services. An eligible provider who does not perform the delivery must not bill for any delivery services.

(d) Supplies used for birth services under this subdivision must be paid at 70 percent of the statewide average for a facility payment rate made to a hospital for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available. If a recipient is transported from a home to a hospital prior to the delivery, the payment for the supplies used for birth services under this subdivision must be the lower of billed charges or 15 percent of the statewide average for a facility payment rate made to a hospital for the services provided for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2024, section 256B.0757, subdivision 5, is amended to read:

Subd. 5. **Payments.** (a) The commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3 to each eligible individual under subdivision 2 that selects the health home as a provider. This paragraph expires on the date that paragraph (b) becomes effective.

(b) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3, except for behavioral health services, to each eligible individual under subdivision 2 who selects the health home as a provider.

Sec. 12. Minnesota Statutes 2024, section 256B.0757, is amended by adding a subdivision to read:

Subd. 5a. **Payments for behavioral health home services.** (a) Notwithstanding subdivision 5, the commissioner must implement a single statewide reimbursement rate for behavioral health home services under this section. The rate must be no less than $425 per member per month. The commissioner must adjust the reimbursement rate for behavioral health home services annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services

Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

(b) The commissioner must review and update the behavioral health home services rate under paragraph (a) at least every four years. The updated rate must account for the average hours required for behavioral health home team members spent providing services and the Department of Labor prevailing wage for required behavioral health home team members. The updated rate must ensure that behavioral health home services rates are sufficient to allow providers to meet required certifications, training, and practice transformation standards; staff qualification requirements; and service delivery standards.

(c) Managed care plans and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

(d) This subdivision is effective January 1, 2028, or upon federal approval, whichever is later.

Sec. 13. Minnesota Statutes 2024, section 256B.1973, is amended by adding a subdivision to read:

Subd. 9. **Interaction with other directed payments.** An eligible provider under subdivision 3 may participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider participating in the hospital directed payment program must not receive a directed payment under this section for any provider classes paid via the hospital directed payment program. A hospital subject to this section must notify the commissioner in writing no later than 30 days after enactment of this subdivision of its intention to participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. The election under this subdivision is a onetime election, except that if an eligible provider elects to participate in the hospital directed payment program, and the hospital directed payment program expires, then the eligible provider may thereafter elect to participate in the directed payment program under this section.

EFFECTIVE DATE. (a) This section is effective on the later of January 1, 2026, or federal approval of all of the following:

(1) this section;

(2) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision 2b; and

(3) the amendments in this act to Minnesota Statutes, section 256B.1974.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval for all amendments set forth in paragraph (a) is obtained.

Sec. 14. **[256B.1974] HOSPITAL DIRECTED PAYMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Health plan" means a managed care plan or county-based purchasing plan that is under contract with the commissioner to deliver services to medical assistance enrollees under section 256B.69.

(c) "Hospital" means a hospital licensed under section 144.50.

Subd. 2. **Required conditions for program.** The hospital directed payment program is contingent on the satisfaction of all requirements necessary for the collection of an assessment under section 256.9657, and must conform with the requirements for permissible directed managed care organization expenditures under section 256B.6928, subdivision 5.

Subd. 3. **Commissioner's duties; state-directed fee schedule requirement.** (a) For each federally approved directed payment program that is a state-directed fee schedule requirement that includes a quarterly payment amount to be submitted by each health plan to each hospital, the commissioner must determine the quarterly payment amount using the average commercial payer rate, or using another method acceptable to the Centers for Medicare and Medicaid Services if the average commercial payer rate is not approved. The commissioner must ensure that the application of the quarterly payment amounts maximizes the amount generated by the hospital assessment in section 256.9657, subdivision 2b, for allowable directed payments and does not result in payments exceeding federal limits.

(b) The commissioner must use an annual settle-up process that occurs within the time period allowed for medical assistance managed care claims adjustments.

(c) On and after January 1, 2028, if the federal regulations set forth in Code of Federal Regulations, title 42, parts 430, 438, and 457, remain effective, the hospital directed payment program must be specific to each health plan and prospectively incorporated into capitation payments for that plan.

(d) For each federally approved directed payment program that is a state-directed fee schedule requirement, the commissioner must develop a plan for the initial implementation of the state-directed fee schedule requirement to ensure that hospitals receive the entire permissible value of the federally approved directed payment. If federal approval of a directed payment under this subdivision is retroactive, the commissioner must make a onetime pro rata increase to the quarterly payment amount and the initial payments to include claims submitted between the retroactive federal approval date and the period captured by the initial payments.

(e) Directed payments under this section must only be used to supplement, and not supplant, medical assistance reimbursement to hospitals. The directed payment program must not modify, reduce, or offset the medical assistance payment rates determined for each hospital as required by section 256.969.

(f) The commissioner must require health plans to make quarterly directed payments according to this section.

(g) Health plans must make quarterly directed payments using electronic funds transfers, if the hospital provides the information necessary to process such transfers, and in accordance with directions provided by the commissioner. Health plans must make quarterly directed payments:

(1) for the first two quarters for which such payments are due, within 30 calendar days of the date the commissioner issued sufficient payments to the health plan to make the directed payments according to this section; and

(2) for all subsequent quarters, within ten calendar days of the date the commissioner issued sufficient payments to the health plan to make the directed payments according to this section.

(h) The commissioner must publish on the Department of Human Services' website, on a quarterly basis, the dates that the health plans completed their required quarterly payments under this section.

(i) Payments to health plans that would be paid consistent with actuarial certification and enrollment in the absence of the increased capitation payments under this section must not be reduced as a result of this section.

(j) The commissioner must publish all directed payments owed to each hospital from each health plan on the department's website for at least two years. All calculations and reports must be posted no later than the first day of the quarter for which the payments are to be issued.

(k) By December 1 each year, the commissioner must notify each hospital of any changes to the payment methodologies in this section, including but not limited to changes in the directed payment rates, the aggregate directed payment amount for all hospitals, and the hospital's directed payment amount for the upcoming calendar year.

(l) The commissioner must distribute payments required under this section for each hospital within 30 days of a quarterly assessment under section 256.9657, subdivision 2b, being received. The commissioner must pay the directed payments to health plans under contract no later than January 1, April 1, July 1, and October 1 each year.

(m) A hospital is not entitled to payments under this section until the start of the first full fiscal year it is an eligible hospital. A hospital that has merged with another hospital must have its payments under this section revised at the start of the first full fiscal year after the merger is complete. A closed hospital is entitled to the payments under this section for services provided through the final date of operations.

Subd. 4. **Health plan duties; submission of claims.** Each health plan must submit to the commissioner, in accordance with its contract with the commissioner to serve as a managed care organization in medical assistance, payment information for each claim paid to a hospital for services provided to a medical assistance enrollee. Health plans must allow each hospital to review the health plan's own paid claims detail to enable proper validation that the medical assistance managed care claims volume and content is consistent with the hospital's internal records. To support the validation process for the directed payment program, health plans must permit the commissioner to share inpatient and outpatient claims-level details with hospitals identifying only those claims where the

prepaid medical assistance program under section 256B.69 is the payer source. Hospitals must provide notice of discrepancies in claims paid to the commissioner in a form determined by the commissioner. The commissioner is authorized to determine the final disposition of the validation process for disputed claims.

Subd. 5. **Health plan duties; directed payment add-on.** (a) Each health plan must make, in accordance with its contract with the commissioner to serve as a managed care organization in medical assistance, a directed payment to each hospital. The amount of the directed payment to the hospital must be equal to the payment amounts the plan received from the commissioner for the hospital.

(b) Health plans are prohibited from:

(1) setting, establishing, or negotiating reimbursement rates with a hospital in a manner that directly or indirectly takes into account a directed payment that a hospital receives under this section;

(2) unnecessarily delaying a directed payment to a hospital; or

(3) recouping or offsetting a directed payment for any reason, except as expressly authorized by the commissioner.

Subd. 6. **Hospital duties; quarterly supplemental directed payment add-on.** (a) A hospital receiving a directed payment under this section is prohibited from:

(1) setting, establishing, or negotiating reimbursement rates with a managed care organization in a manner that directly or indirectly takes into account a directed payment that a hospital receives under this section; or

(2) directly passing on the cost of an assessment to patients or nonmedical assistance payers, including as a fee or rate increase.

(b) A hospital that violates this subdivision is prohibited from receiving a directed payment under this section for the remainder of the rate year. This subdivision does not prohibit a hospital from negotiating with a payer for a rate increase.

(c) Any hospital receiving a directed payment under this section must meet the commissioner's standards for directed payments as described in subdivision 7.

Subd. 7. **State minimum policy goals established.** (a) The effect of the directed payments under this section must align with the state's policy goals for medical assistance enrollees. The directed payments must be used to maintain quality and access to a full range of health care delivery mechanisms for medical assistance enrollees, and specifically provide improvement for one of the following quality measures:

(1) overall well child visit rates;

(2) maternal depression screening rates; or

(3) colon cancer screening rates.

(b) The commissioner, in consultation with the Minnesota Hospital Association, must submit to the Centers for Medicare and Medicaid Services quality measures performance evaluation criteria and a methodology to regularly measure access to care and the achievement of state policy goals described in this subdivision.

(c) The quality measures evaluation data, as determined by paragraph (b), must be reported to the Centers for Medicare and Medicaid Services after at least 12 months of directed payments to hospitals.

Subd. 8. **Administrative review.** Before making the payments required under this section, and on at least an annual basis, the commissioner must consult with and provide for review of the payment amounts by a permanent select committee established by the Minnesota Hospital Association. Any data or information reviewed by members of the committee are data not on individuals, as defined in section 13.02. The committee's members must not include any current employee or paid consultant of any hospital.

EFFECTIVE DATE. (a) This section is effective the later of January 1, 2026, or federal approval for all of the following:

(1) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision 2b; and

(2) the amendments in this act to this section.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval for all amendments set forth in paragraph (a) is obtained.

Sec. 15. **[256B.1975] HOSPITAL DIRECTED PAYMENT PROGRAM ACCOUNT.**

Subdivision 1. **Account established; appropriation.** (a) The hospital directed payment program account is created in the special revenue fund in the state treasury.

(b) Money in the account, including interest earned, is annually appropriated to the commissioner for the purposes specified in section 256B.1974.

(c) Transfers from this account to another fund are prohibited, except as necessary to make the payments required under section 256B.1974.

Subd. 2. **Reports to the legislature.** By January 15, 2027, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that details the activities and uses of money in the hospital directed payment program account, including the metrics and outcomes of the policy goals established by section 256B.1974, subdivision 7.

EFFECTIVE DATE. This section is effective on the later of January 1, 2026, or federal approval of the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision 2b. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2024, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **~~Physician and professional services~~ Reimbursement adjustments.** ~~(a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:~~

~~(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;~~

~~(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and~~

~~(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.~~

~~(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.~~

~~(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice registered nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.~~

~~(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.~~

~~(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect~~

~~on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.~~

~~(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.~~

~~(g)~~ (a) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

~~(h)~~ (b) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

~~(i)~~ (c) The commissioner may reimburse physicians and other licensed professionals for costs incurred to pay the fee for testing newborns who are medical assistance enrollees for heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when the sample is collected outside of an inpatient hospital or freestanding birth center and the cost is not recognized by another payment source.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval of the amendments in this act to Minnesota Statutes, sections 256B.76, subdivision 6, and 256B.768, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2024, section 256B.76, subdivision 6, is amended to read:

Subd. 6. **Medicare relative value units.** (a) Effective for services rendered on or after January 1, 2007, the commissioner shall make payments for physician and professional services based on the Medicare relative value units (RVUs). This change shall be budget neutral and the cost of implementing RVUs will be incorporated in the established conversion factor. This paragraph expires on the date that paragraph (b) becomes effective.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective for services rendered on or after January 1, 2007, the commissioner must make payments for physician and professional services based on the Medicare relative value units (RVUs).

~~(b)~~ (c) Effective for services rendered on or after January 1, 2025, rates for mental health services reimbursed under the resource-based relative value scale (RBRVS) must be equal to 83 percent of the Medicare Physician Fee Schedule. This paragraph expires on the date that section 256B.768 becomes effective.

~~(c)~~ (d) Effective for services rendered on or after January 1, 2025, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases provided under this subdivision. Managed care plans and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to the providers corresponding to the rate increases. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires on the date that section 256B.768 becomes effective.

Sec. 18. Minnesota Statutes 2024, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

Subdivision 1. **Rates effective 2026.** ~~(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.~~

~~(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.~~

~~(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.~~

~~(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.~~

~~(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the~~

~~rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18; early intensive developmental behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.~~

~~(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision.~~

(a) Effective for services rendered on or after January 1, 2026, the commissioner must establish market-based payment rates for the following services:

(1) children's therapeutic services and supports under section 256B.0943;

(2) child and family psychoeducation services under section 256B.0671, subdivision 5;

(3) clinical care consultation services under section 256B.0671, subdivision 7; and

(4) mental health certified family peer specialist services under section 256B.0616.

(b) Rates established under paragraph (a) must not be lower than:

(1) the payment rates recommended in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, and published by the Department of Human Services on January 22, 2024; or

(2) the payment rates in effect on December 31, 2025.

Subd. 2. **Rates effective 2027.** (a) Effective for services rendered on or after January 1, 2027, the commissioner must establish market-based payment rates for the following services:

(1) adult day treatment services under section 256B.0671, subdivision 3;

(2) adult rehabilitative mental health services under section 256B.0623;

(3) adult mental health peer support specialist services under section 256B.0615;

(4) dialectical behavioral therapy under section 256B.0671, subdivision 6;

(5) explanation of findings under section 256B.0671, subdivision 4;

(6) mental health crisis response services under section 256B.0624;

(7) mental health provider travel time under section 256B.0625, subdivision 43;

(8) neuropsychological testing under section 256B.0671, subdivision 9;

(9) partial hospitalization services under section 256B.0671, subdivision 12; and

(10) psychotherapy services under section 256B.0671, subdivision 11, incorporating biofeedback.

(b) Rates established under paragraph (a) must not be lower than:

(1) the payments rates recommended in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, and published by the Department of Human Services on January 22, 2024; or

(2) the payment rates in effect on December 31, 2026.

Subd. 3. **Capitation payments.** The commissioner must adjust capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rates provided in this section. Managed care and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this section. The commissioner must monitor the effect of this rate adjustment on enrollee access to behavioral health services. If for any contract year federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this subdivision. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision.

Subd. 4. **Inflation adjustment.** The commissioner must adjust the reimbursement rate for services under this section annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

Subd. 5. **Exceptions.** (a) This section does not apply to federally qualified health centers, rural health centers, Indian health services, or certified community behavioral health clinics or to cost-based rates or rates that are negotiated with the county.

(b) This section does not apply to services with reimbursement rates established pursuant to section 256B.768.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval of this section and Minnesota Statutes, section 256B.768, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2024, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

Subdivision 1. **Payment reductions for base care services effective July 1, 2009.** ~~(a)~~ Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation.

Subd. 2. **Classification of therapies as basic care services.** ~~Effective July 1, 2010,~~ The commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in ~~this paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

Subd. 3. **Payment reductions to managed care plans effective October 1, 2009.** ~~(b)~~ Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1 effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

Subd. 4. **Temporary payment reductions effective September 1, 2011.** ~~(c)~~ (a) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

Subd. 5. **Payment increases effective September 1, 2014.** ~~(e)~~ (a) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract

shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent.

(b) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this ~~paragraph~~ subdivision.

Subd. 6. **Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent.

Subd. 7. **Payment increases effective July 1, 2015.** (a) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under ~~this~~ paragraph (b).

Subd. 8. **Exempt services.** ~~(h)~~ This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

Subd. 9. **Individually priced items.** ~~(i)~~ (a) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service.

(b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item.

(c) The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

Subd. 10. **Rate increases effective July 1, 2015.** ~~(j)~~ (a) Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

Subd. 11. **Rates for ventilators.** ~~(k)~~ (a) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate.

(b) Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate.

(c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this ~~paragraph~~ subdivision.

Subd. 12. **Rates subject to the upper payment limit.** ~~(l)~~ Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this ~~paragraph~~ subdivision.

Subd. 13. **Temporary rates for enteral nutrition and supplies.** ~~(m)~~ (a) For dates of service on or after July 1, 2023, through June 30, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023.

(b) This subdivision expires June 30, 2025.

Subd. 14. **Rates for enteral nutrition and supplies.** ~~(n)~~ For dates of service on or after July 1, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be the manufacturer's suggested retail price of that product or supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.

Subd. 15. **Rates for phototherapy services.** For dates of service on or after July 1, 2025, the payment rate for phototherapy services provided in the home setting must include a service fee in the amount of $520 per patient episode, in addition to the daily rental rate for the medical equipment in subdivision 12. The commissioner shall provide an annual inflation adjustment for the phototherapy service fee. The index for the inflation adjustment must be based on the Consumer Price Index for All Urban Consumers increase published by the Bureau of Labor Statistics.

Sec. 20. **[256B.768] MEDICARE RATE ALIGNMENT.**

Subdivision 1. **Medicare physician fee schedule rates.** (a) Effective January 1, 2026, or upon federal approval, whichever is later, and effective for services rendered on or after January 1, 2026, or the date of federal approval, whichever is later, the commissioner must make payments based on the resource-based relative value scale for all services:

(1) covered in medical assistance; and

(2) with a corresponding rate and procedure code in the Medicare Physician Fee Schedule.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective for services rendered on or after January 1, 2026, or the date of federal approval, whichever is later, rates must be at least equal to 100 percent of the Medicare Physician Fee Schedule if the service:

(1) is reimbursed in medical assistance under the resource-based relative value scale; and

(2) has a corresponding rate and procedural code in the Medicare Physician Fee Schedule.

(c) For services rendered on or after January 1, 2026, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases provided under this subdivision. Managed care plans and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts

between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

Subd. 2. **Applicable fee schedule.** For purposes of this section, the applicable Medicare Physician Fee Schedule is the most recent Medicare Physician Fee Schedule Final Rule issued by the Centers for Medicare and Medicaid Services in effect at the time the service was rendered.

Subd. 3. **Exceptions.** This section does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2024, section 295.52, subdivision 1, is amended to read:

Subdivision 1. **Hospital tax.** A tax is imposed on each hospital equal to ~~1.8~~ two percent of its gross revenues.

Sec. 22. Minnesota Statutes 2024, section 295.52, subdivision 1a, is amended to read:

Subd. 1a. **Surgical center tax.** A tax is imposed on each surgical center equal to ~~1.8~~ two percent of its gross revenues.

Sec. 23. Minnesota Statutes 2024, section 295.52, subdivision 2, is amended to read:

Subd. 2. **Provider tax.** A tax is imposed on each health care provider equal to ~~1.8~~ two percent of its gross revenues.

Sec. 24. Minnesota Statutes 2024, section 295.52, subdivision 3, is amended to read:

Subd. 3. **Wholesale drug distributor tax.** A tax is imposed on each wholesale drug distributor equal to ~~1.8~~ two percent of its gross revenues.

Sec. 25. Minnesota Statutes 2024, section 295.52, subdivision 4, is amended to read:

Subd. 4. **Use tax; legend drugs.** (a) A person that receives legend drugs for resale or use in Minnesota, other than from a wholesale drug distributor that is subject to tax under subdivision 3, is subject to a tax equal to the price paid for the legend drugs multiplied by ~~1.8~~ two percent. Liability for the tax is incurred when legend drugs are received or delivered in Minnesota by the person.

(b) A tax imposed under this subdivision does not apply to purchases by an individual for personal consumption.

Sec. 26. **[295.525] MCO ASSESSMENT ON HEALTH PLAN COMPANIES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this subdivision have the meanings given.

(b) "Commissioner" means the commissioner of human services.

(c) "Enrollee" has the meaning given in section 62Q.01, except that enrollee does not include:

(1) an individual enrolled in a Medicare plan;

(2) a plan-to-plan enrollee; or

(3) an individual enrolled in a health plan pursuant to the Federal Employees Health Benefits Act of 1959, Public Law 86-382, as amended, to the extent the imposition of the assessment under this section is preempted pursuant to United States Code, title 5, section 8909, subsection (f).

(d) "Health plan" has the meaning given in section 62Q.01.

(e) "Health plan company" has the meaning given in section 62Q.01.

(f) "Medical assistance" means the medical assistance program established under chapter 256B.

(g) "Medical assistance enrollee" means an enrollee in medical assistance or MinnesotaCare for whom the Department of Human Services directly pays the health plan company a capitated payment.

(h) "MinnesotaCare" means the MinnesotaCare program established under chapter 256L.

(i) "Plan-to-plan enrollee" means an individual who receives coverage for health care services through a health plan pursuant to a subcontract from another health plan.

Subd. 2. **MCO assessment.** (a) An annual assessment is imposed on health plan companies for each calendar year beginning in calendar year 2026. The total annual assessment amount is equal to the sum of the amounts assessed for medical assistance enrollees under paragraph (b) and for nonmedical assistance enrollees under paragraph (c).

(b) The amount assessed for medical assistance enrollees is equal to the sum of the following:

(1) for medical assistance enrollees 0 to 60,000, $0 per enrollee;

(2) for medical assistance enrollees 60,001 to 100,000, $340 per enrollee;

(3) for medical assistance enrollees 100,001 to 200,000, $365 per enrollee; and

(4) for medical assistance enrollees 200,001 to 350,000, $380 per enrollee.

(c) The amount assessed for nonmedical assistance enrollees is equal to the sum of the following:

(1) for nonmedical assistance enrollees 0 to 60,000, $0 per enrollee;

(2) for nonmedical assistance enrollees 60,001 to 100,000, 50 cents per enrollee;

(3) for nonmedical assistance enrollees 100,001 to 200,000, 75 cents per enrollee; and

(4) for nonmedical assistance enrollees 200,001 to 350,000, $1 per enrollee.

(d) The commissioner must annually use the commissioner's authority as necessary to modify the rate of assessment, provided under paragraph (e), such that the annual assessment imposed under this subdivision equals 2.8 percent of the health plan companies' aggregate gross revenue.

(e) The commissioner may, after consultation with health plan companies likely to be affected, modify the rate of assessment, as set forth in paragraphs (a) to (d), as necessary to:

(1) comply with federal law, obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or to otherwise maximize under this section federal financial participation for medical assistance; and

(2) comply with paragraph (d).

(f) Unpaid assessment amounts accrue interest at a rate of ten percent per annum, beginning the day following the assessment payment's due date. A penalty, equal to the total accrued interest charge, is imposed monthly on payments 60 days or more overdue until the payment, penalty, and interest are paid in full.

Subd. 3. **Assessment computation; collection.** (a) The commissioner must annually determine the following for each health plan company:

(1) total enrollment for the calendar year;

(2) total Medicare enrollment for the calendar year;

(3) total medical assistance enrollment for the calendar year;

(4) total plan-to-plan enrollment for the calendar year;

(5) total enrollment through the Federal Employees Health Benefits Act of 1959, Public Law 86-382, as amended, for the calendar year; and

(6) total other enrollment for the calendar year that is not otherwise counted in clauses (2) to (5).

(b) Health plan companies must provide any information requested by the commissioner for the purpose of this subdivision, provided that the commissioner determines such information is necessary to accurately determine the information in paragraph (a).

(c) The commissioner may correct errors in data provided to the commissioner by a health plan company to the extent necessary to accurately determine the information in paragraph (a).

(d) For purposes of calculating the information in paragraph (a) for a health plan company, the commissioner must count any individual that was an enrollee of a health plan at any point of the calendar year, regardless of the enrollee's duration as an enrollee of the health plan.

(e) The commissioner must annually use the information in paragraph (a) to compute the assessment for each health plan company.

(f) The commissioner must collect the annual assessment for each health plan company in four equal installments, in the manner and on the schedule determined by the commissioner. The commissioner is prohibited from collecting any amount under this section until 20 days after the commissioner has notified the health plan company of:

(1) the effective date of this section;

(2) the assessment due dates for the applicable calendar year; and

(3) the annual assessment amount.

(g) The commissioner may waive all or part of the interest or penalty imposed on a health plan company under subdivision 2, paragraph (f), if the commissioner determines the interest or penalty is likely to create an undue financial hardship on the health plan company or a significant financial difficulty in providing necessary services to medical assistance enrollees. A waiver under this paragraph must be contingent on the health plan company's agreement to make assessment payments on an alternative schedule, determined by the commissioner, that accounts for the health plan company's finances and the potential impact on the delivery of services to medical assistance enrollees.

(h) In the event of a merger, acquisition, or other transaction that results in the transfer of health plan responsibility to another health plan company or similar entity during calendar years 2026 to 2029, the surviving, acquiring, or controlling health plan company or similar entity shall be responsible for paying the full assessment amount as provided in this section that would have been the responsibility of the health plan company to which that full assessment amount was assessed upon the effective date of the transaction. If a transaction results in the transfer of health plan responsibility for only some of a health plan's enrollees under this section but not all enrollees, the full assessment amount as provided in this section remains the responsibility of that health plan company to which that full assessment amount was assessed.

Subd. 4. **MCO assessment expenditures.** (a) All amounts collected by the commissioner under this section must be deposited in the health care access fund.

(b) All amounts collected by the commissioner under this section are annually appropriated to the commissioner to provide nonfederal money for medical assistance and MinnesotaCare program rate changes made in this act related to:

(1) ambulance services under section 256B.0625, subdivision 17a;

(2) behavioral health home services under section 256B.0757;

(3) mental health services under section 256B.761;

(4) services reimbursed under the resource-based relative value scale and with a corresponding rate and procedural code in the Medicare Physician Fee Schedule under section 256B.768; and

(5) inpatient behavioral health services provided by hospitals paid under the DRG methodology.

(c) The assessment money must be used to supplement money for medical assistance from the general fund.

(d) The commissioner must provide an annual report to all health plan companies, in a time and manner determined by the commissioner. The report must identify the assessments imposed on each health plan company pursuant to this section, account for all money raised by the MCO assessment, and provide an itemized accounting of expenditures from the fund.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval for the assessment established in this section to be considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation, including but not limited to federal approval of a waiver under Code of Federal Regulations, title 42, section 433.72, if such waiver is necessary to receive health care-related taxes without a reduction in federal financial participation, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ENHANCED FEDERAL REIMBURSEMENT FOR FAMILY PLANNING SERVICES IN MEDICAL ASSISTANCE.**

The commissioner of human services must make the systems modification necessary to claim enhanced federal reimbursement for all family planning services under the medical assistance program.

Sec. 28. **IMPLEMENTATION OF HOSPITAL ASSESSMENT AND DIRECTED PAYMENT PROGRAM.**

(a) The commissioner of human services must immediately begin all necessary claims analysis to calculate the assessment and payments required under Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program described in Minnesota Statutes, section 256B.1974.

(b) The commissioner of human services, in consultation with the Minnesota Hospital Association, must submit to the Centers for Medicare and Medicaid Services a request for federal approval to implement the hospital assessment described in Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program under Minnesota Statutes, section 256B.1974. At least 15 days before submitting the request for approval, the commissioner must make available to the public the draft assessment requirements, draft directed payment details, and an estimate of each assessment amount for each hospital without an exemption from the assessment pursuant to Minnesota Statutes, section 256.9657, subdivision 2b, paragraph (k).

(c) During the design and prior to submission of the request for approval under paragraph (b), the commissioner of human services must consult with the Minnesota Hospital Association and any hospitals without an exemption from the assessment pursuant to Minnesota Statutes, section 256.9657, subdivision 2b, paragraph (k), and that are not members of the Minnesota Hospital Association.

(d) If federal approval is received for the request under paragraph (b), the commissioner of human services must provide at least 15 days of public posting and review of the federally approved terms and conditions for the assessment and the directed payment program prior to any assessment under Minnesota Statutes, section 256.9657, subdivision 2b, becoming due from a hospital.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 29. **FEDERAL APPROVAL; WAIVERS.**

(a) The commissioner must request, as the commissioner determines necessary, federal approval for the MCO assessment on health plan companies established in this act to be considered a permissible health-care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation.

(b) To obtain the federal approval under paragraph (a), the commissioner may apply for a waiver of the federal broad-based requirement for health care-related taxes, uniform requirement for health-care-related taxes, and any other provision of federal law necessary to implement Minnesota Statutes, section 295.525.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 30. **BUDGET NEUTRALITY; RATE ADJUSTMENTS.**

(a) By October 1 of each year, the commissioner of human services must determine the difference between the actual costs or forecasted costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (5), and the revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, including federal financial participation.

(b) For each fiscal year, the commissioner of human services must certify the difference between the actual costs or forecasted costs to the medical assistance and MinnesotaCare programs determined under paragraph (a), and report the difference in costs to the commissioner of management and budget at least four weeks prior to a forecast under Minnesota Statutes, section 16A.103.

(c) If for any fiscal year, the cumulative costs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (5), exceed revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, as determined under paragraph (a), the commissioner of human services must reduce the costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (5). The commissioner's reduction under this paragraph must be on a uniform percentage basis across the rate increases provided in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (5).

Sec. 31. **TREND LIMIT; CALCULATION.**

(a) Beginning January 1, 2027, and ending June 30, 2029, the commissioner of human services may limit the trend increase in rates paid to managed care plans and county-based purchasing plans under Minnesota Statutes, sections 256B.69 and 256B.692, by an amount equal to the value of a 0.35 percent reduction in trend in medical assistance. Managed care rates must meet actuarial soundness and rate development requirements under Code of Federal Regulations, title 42, part 438, subpart A.

(b) In the November 2025 forecast, the commissioner of human services, in consultation with the commissioner of management and budget, must reduce the forecasted trend growth in managed care for medical assistance expenditures in fiscal years 2027, 2028, and 2029. The reduction must

not be less than $7,784,000 in fiscal year 2027, $8,219,000 in fiscal year 2028, and $8,446,000 in fiscal year 2029.

Sec. 32. **APPROPRIATION.**

$10,000,000 is appropriated in fiscal year 2027 from the health care access fund to the commissioner of human services for increases to payments for inpatient behavioral health services provided by hospitals paid under the DRG methodology under Minnesota Statutes, section 256.969, subdivision 2b, paragraph (l).

Sec. 33. **REPEALER.**

Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval of this section and the amendments in this act to Minnesota Statutes, sections 256B.76, subdivision 6, and 256B.761, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 7

HUMAN SERVICES HEALTH CARE POLICY

Section 1. Minnesota Statutes 2024, section 62Q.522, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Contraceptive method" means a drug, device, or other product approved by the Food and Drug Administration to prevent unintended pregnancy.

(c) "Contraceptive service" means consultation, examination, procedures, and medical services related to the prevention of unintended pregnancy~~, excluding vasectomies~~. This includes but is not limited to voluntary sterilization procedures, patient education, counseling on contraceptives, and follow-up services related to contraceptive methods or services, management of side effects, counseling for continued adherence, and device insertion or removal.

(d) "Medical necessity" includes but is not limited to considerations such as severity of side effects, difference in permanence and reversibility of a contraceptive method or service, and ability to adhere to the appropriate use of the contraceptive method or service, as determined by the attending provider.

(e) "Therapeutic equivalent version" means a drug, device, or product that can be expected to have the same clinical effect and safety profile when administered to a patient under the conditions specified in the labeling, and that:

(1) is approved as safe and effective;

(2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active drug ingredient in the same dosage form and route of administration; and (ii) meeting compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 256B.0371, subdivision 3, is amended to read:

Subd. 3. **Contingent contract with dental administrator.** (a) The commissioner shall determine the extent to which managed care and county-based purchasing plans in the aggregate meet the performance benchmark specified in subdivision 1 for coverage year 2024. If managed care and county-based purchasing plans in the aggregate fail to meet the performance benchmark, the commissioner, after issuing a request for information followed by a request for proposals, shall contract with a dental administrator to administer dental services beginning January 1, ~~2026~~ 2030, for all recipients of medical assistance and MinnesotaCare, including persons served under fee-for-service and persons receiving services through managed care and county-based purchasing plans.

(b) The dental administrator must provide administrative services, including but not limited to:

(1) provider recruitment, contracting, and assistance;

(2) recipient outreach and assistance;

(3) utilization management and reviews of medical necessity for dental services;

(4) dental claims processing;

(5) coordination of dental care with other services;

(6) management of fraud and abuse;

(7) monitoring access to dental services;

(8) performance measurement;

(9) quality improvement and evaluation; and

(10) management of third-party liability requirements.

~~(c) Dental administrator payments to contracted dental providers must be at the rates established under sections 256B.76 and 256L.11.~~

~~(d)~~ (c) Recipients must be given a choice of dental provider, including any provider who agrees to provider participation requirements and payment rates established by the commissioner and dental administrator. The dental administrator must comply with the network adequacy and geographic access requirements that apply to managed care and county-based purchasing plans for dental services under section 62K.14.

~~(e)~~ (d) The contract with the dental administrator must include a provision that states that if the dental administrator fails to meet, by calendar year ~~2029~~ 2032, a performance benchmark under which at least 55 percent of children and adults who were continuously enrolled for at least 11 months in either medical assistance or MinnesotaCare received at least one dental visit during the calendar year, the contract must be terminated and the commissioner must enter into a contract with a new dental administrator as soon as practicable.

~~(f)~~ (e) The commissioner shall implement this subdivision in consultation with representatives of providers who provide dental services to patients enrolled in medical assistance or MinnesotaCare, including but not limited to providers serving primarily low-income and socioeconomically complex populations, and with representatives of managed care plans and county-based purchasing plans.

Sec. 3. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 77. **Vasectomies.** (a) Medical assistance covers vasectomies.

(b) Medical assistance must meet the requirements with respect to coverage of vasectomies that would otherwise apply to a health plan under section 62Q.522, except that medical assistance is not required to comply with any provision of section 62Q.522 if compliance with the provision would:

(1) prevent the state from receiving federal financial participation for the coverage under this subdivision;

(2) result in a lower level of coverage or reduced access to coverage for medical assistance enrollees; or

(3) violate Code of Federal Regulations, title 42, part 441, subpart F.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2024, section 256B.76, is amended by adding a subdivision to read:

Subd. 1a. **Certain long-term ambulatory electrocardiogram monitoring services.** (a) For the purpose of this subdivision, "long-term ambulatory electrocardiogram monitoring services" means the provision of external cardiac patch monitoring devices to patients to wear for 48 hours or greater and the interpretation of data gathered by such devices to detect heart arrhythmias that can lead to stroke, cardiac arrest, or other comorbidities or medical complications if not correctly diagnosed.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must reimburse diagnostic testing facilities providing long-term ambulatory electrocardiogram monitoring services at 100 percent of the Medicare Physician Fee Schedule rate for such services or higher.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 8

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

(1) provide an expanded array of services from which clients can choose services appropriate to their needs;

(2) be based on purchasing strategies that improve access and coordinate services without cost shifting;

(3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;

(4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(5) utilize ~~existing categorical funding streams and reimbursement sources in combined and creative ways, except~~ adult mental health initiative funding only after all other eligible funding sources have been applied. Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.

~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~

~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

~~(2) the size of the target population to be served; and~~

~~(3) geographical distribution.~~

~~(c)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

~~(d)~~ (c) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.

~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through the ~~following methods:~~

~~(i) submission of mental health plans and plan amendments which are based on a format and timetable determined by the commissioner;~~

~~(ii) submission of social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the initiative's managing entity and the commissioner; and~~

~~(iii)~~ submission of data and participation in an evaluation of the adult mental health initiatives, to be designed cooperatively by the commissioner and the initiatives. For services provided to American Indians in Tribal Nations or urban Indian communities, oral reports using a system designed in partnership between the commissioner and the reporting community satisfy the requirements of this clause.

Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of age or older and under 21 years of age receiving continuous children's mental health targeted case management services as defined in section 245.2875, subdivision 8.

Sec. 5. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with emotional disturbances or severe emotional disturbances who are at risk of residential treatment or hospitalization, who are already in out-of-home placement in family foster settings as defined in chapter 142B and at risk of change in out-of-home placement or placement in a residential facility or other higher level of care, who have utilized crisis services or emergency room services, or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; ~~and~~

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants; and

(19) evidence-based interventions for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 6. Minnesota Statutes 2024, section 245.4905, is amended to read:

245.4905 FIRST EPISODE OF PSYCHOSIS AND EARLY EPISODE OF BIPOLAR DISORDER GRANT PROGRAM.

Subdivision 1. ~~**Creation**~~ **Establishment.** The commissioner of human services must establish the first episode of psychosis and early episode of bipolar disorder grant program ~~is established in the Department of Human Services~~ within the department to fund: (1) evidence-based interventions for youth and young adults at risk of developing or experiencing a first episode of psychosis or an early episode of bipolar disorder; and (2) a public awareness campaign on the signs and symptoms of psychosis. ~~First episode of psychosis services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clause (15)~~ For purposes of this section,

"youth and young adults" means individuals who are 15 years of age or older and under 41 years of age.

Subd. 2. **Activities.** (a) All first episode of psychosis ~~grant programs~~ or early episode of bipolar disorder grantees must:

(1) provide intensive treatment and support for ~~adolescents and~~ youth and young adults experiencing or at risk of experiencing a first ~~psychotic~~ episode of psychosis or early episodes of bipolar disorder. Intensive treatment and support ~~includes~~ may include medication management, psychoeducation for an individual and an individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer and family peer support, crisis planning, and stress management;

(2) conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinicians, on early psychosis and bipolar disorder symptoms, screening tools, and best practices;

(3) ensure access for individuals to first ~~psychotic~~ episode of psychosis services under this section, including access for individuals who live in rural areas; and

(4) use all available funding streams.

(b) Grant money may ~~also~~ be used to pay for housing or travel expenses for individuals receiving services or to address other barriers preventing individuals and their families from participating in first ~~psychotic~~ episode of psychosis services.

Subd. 3. ~~**Eligibility**~~ **Funding.** ~~Program activities must be provided to people 15 to 40 years old with early signs of psychosis~~ First episode of psychosis services and early episode of bipolar disorder services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clauses (16) and (19).

Subd. 4. **Outcomes.** (a) The commissioner must annually evaluate the first episode of psychosis and early episode of bipolar disorder grant program.

(b) The evaluation ~~of program activities~~ must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether individuals experience a reduction in ~~psychotic~~ symptoms;

(2) whether individuals experience a decrease in inpatient mental health hospitalizations or interactions with the criminal justice system; and

(3) whether individuals experience an increase in educational attainment or employment.

(c) By July 1, 2026, and every July 1 thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health, along with the chairs and ranking minority members of the senate finance committee and house of representatives ways and means committee. The report must include the number of grantees receiving funds under this section, the number of individuals served under this section, data from

the evaluation conducted under this subdivision, and information on the use of state and federal funds for the services provided under this section.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants.

Sec. 7. **MENTAL HEALTH COLLABORATION HUB INNOVATION PILOT PROGRAM.**

(a) The commissioner of human services must support the Mental Health Collaboration Hub's pilot project to develop and implement innovative care pathways and care facility decompression strategies by providing funding support and technical assistance and entering into a data sharing agreement with the Mental Health Collaboration Hub. The pilot project must fund, track, and evaluate activities that expedite transitions of children from inappropriate care settings to appropriate care settings. A steering committee of expert Mental Health Collaboration Hub participants that represent the continuum of children's behavioral health care must guide funding determinations to support the transition of up to 200 children per year.

(b) On January 1, 2027, and each January 1 for the subsequent four years, the Mental Health Collaboration Hub must submit a report to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The report must describe how the grant funds were spent and summarize the impact the pilot project had on participating children, families, and providers.

Sec. 8. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY REPORT.**

(a) By January 15, 2026, the commissioner of human services, in consultation with organizations operating psychiatric residential treatment facilities, advocates, health care experts, juvenile detention experts, and county representatives, must submit a report and proposed legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The submitted report must include recommendations on:

(1) amending the state medical assistance plan to expand access to care provided in psychiatric residential treatment facilities, with consideration being given to enhancing flexibilities to serve a continuum of mental health needs;

(2) developing licensing standards for psychiatric residential treatment facilities that reflect needed flexibilities and the broad inclusion of settings where care can be delivered; and

(3) updating the rate methodology for services provided in psychiatric residential treatment facilities to assure high quality of care with required individualization.

(b) When developing the recommendations required under paragraph (b), the commissioner must:

(1) consider how best to meet the needs of children with high levels of complexity, aggression, and other related barriers to being served by community providers; and

(2) determine what would be required, including needed infrastructure, staffing, and sustainable funding sources, to allow qualified residential treatment programs to transition to a psychiatric residential treatment facility standard of care.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 9

BEHAVIORAL HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** 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. 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. "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. For purposes of all subdivisions except subdivisions 20, 28, 29, 32, and 33, resident also means a person who is admitted to a facility licensed to provide intensive residential treatment services or residential crisis stabilization under section 245I.23.

Sec. 2. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to, social work, psychology, or nursing from an accredited college or university. A case manager who

is not a mental health practitioner ~~and~~ or who does not have a bachelor's degree in one of the behavioral sciences or related fields must meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree or with a bachelor's degree that is not in one of the behavioral sciences or related fields must meet one of the requirements in clauses (1) to ~~(3)~~ (5):

(1) have three or four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; ~~or~~

(3) be a person who qualified as a case manager under the 1998 Department of Human Service waiver provision and meet the continuing education and mentoring requirements in this section~~.~~;

(4) prior to direct service delivery, complete at least 80 hours of specific training on the characteristics and needs of adults with serious and persistent mental illness that is consistent with national practice standards; or

(5) prior to direct service delivery, demonstrate competency in practice and knowledge of the characteristics and needs of adults with serious and persistent mental illness, consistent with national practice standards.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a certified peer specialist under section 256B.0615;

(iii) be a registered nurse without a bachelor's degree;

(iv) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in subdivision 20; or as a child had severe emotional disturbance as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(v) have 6,000 hours work experience as a nondegreed state hospital technician; or

(vi) have at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness.

Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (vi) may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive ~~at least 40 hours of~~ annual continuing education in mental illness and mental health services ~~annually; and~~ according to the following schedule, based on years of service as a case management associate:

(i) at least 40 hours in the first year;

(ii) at least 30 hours in the second year;

(iii) at least 20 hours in the third year; and

(iv) at least 20 hours in the fourth year; and

(3) receive at least ~~five~~ four hours of ~~mentoring~~ supervision per ~~week~~ month from a case management ~~mentor~~ supervisor.

~~A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one~~

~~or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.~~

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 3. Minnesota Statutes 2024, section 245.462, subdivision 20, is amended to read:

Subd. 20. **Mental illness.** (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is detailed in a diagnostic codes list published by the commissioner, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) An "adult with acute mental illness" means an adult who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of enrolling in case management and community support services, a "person with serious and persistent mental illness" means an adult who has a mental illness and meets at least one of the following criteria:

(1) the adult has undergone ~~two~~ one or more episodes of inpatient, residential, or crisis residential care for a mental illness within the preceding ~~24~~ 12 months;

(2) the adult has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months;

(3) the adult has been treated by a crisis team two or more times within the preceding 24 months;

(4) the adult:

(i) has a diagnosis of schizophrenia, bipolar disorder, major depression, schizoaffective disorder, posttraumatic stress disorder, generalized anxiety disorder, panic disorder, eating disorder, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion from a mental health professional, in the last three years, stating that the adult is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), or the need for in-home services to remain in one's home, unless ongoing case management or community support services are provided;

(5) the adult has, in the last ~~three~~ five years, been committed by a court as a person ~~who is mentally ill~~ with a mental illness under chapter 253B, or the adult's commitment has been stayed or continued; or

~~(6) the adult (i) was eligible under clauses (1) to (5), but the specified time period has expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii) has a written opinion from a mental health professional, in the last three years, stating that the adult is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless ongoing case management or community support services are provided; or~~

~~(7)~~ (6) the adult was eligible as a child under section 245.4871, subdivision 6, and is age 21 or younger.

(d) For purposes of enrolling in case management and community support services, a "person with a complex post-traumatic stress disorder" or "C-PTSD" means an adult who has a mental illness and meets the following criteria:

(1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly interfere with daily functioning related to intergenerational trauma, racial trauma, or unresolved historical grief; and

(2) the adult has a written opinion from a mental health professional that includes documentation of:

(i) culturally sensitive assessments or screenings and identification of intergenerational trauma, racial trauma, or unresolved historical grief;

(ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD condition eligibility; and

(iii) increasing concerns within the last three years that indicates the adult is at a reasonable likelihood of experiencing significant episodes of PTSD with increased frequency, impacting daily functioning unless mitigated by targeted case management or community support services.

(e) Adults may continue to receive case management or community support services if, in the written opinion of a mental health professional, the person needs case management or community support services to maintain the person's recovery.

EFFECTIVE DATE. Paragraph (d) is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2024, section 245.4661, subdivision 9, is amended to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

(1) mental health crisis services;

(2) housing with supports for adults with serious mental illness; and

(3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

(1) community education and prevention;

(2) client outreach;

(3) early identification and intervention;

(4) adult outpatient diagnostic assessment and psychological testing;

(5) peer support services;

(6) community support program services (CSP);

(7) adult residential crisis stabilization;

(8) supported employment;

(9) assertive community treatment (ACT);

(10) housing subsidies;

(11) basic living, social skills, and community intervention;

(12) emergency response services;

(13) adult outpatient psychotherapy;

(14) adult outpatient medication management;

(15) adult mobile crisis services, including the purchase and renovation of vehicles by mobile crisis teams in order to provide protected transport under section 256B.0625, subdivision 17, paragraph (l), clause (6);

(16) adult day treatment;

(17) partial hospitalization;

(18) adult residential treatment;

(19) adult mental health targeted case management; and

(20) transportation.

Sec. 5. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, day treatment services, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness or a complex post-traumatic stress disorder of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 245.469, is amended to read:

245.469 EMERGENCY SERVICES.

Subdivision 1. **Availability of emergency services.** (a) County boards must provide or contract for enough emergency services within the county to meet the needs of adults, children, and families in the county who are experiencing an emotional crisis or mental illness. Clients must not be charged for services provided. Emergency service providers must ~~not delay the timely provision of emergency services to a client because of the unwillingness or inability of the client to pay for services~~ meet the qualifications under section 256B.0624, subdivision 4. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of each client;

(2) minimize further deterioration of each client;

(3) help each client to obtain ongoing care and treatment;

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs; and

(5) provide support, psychoeducation, and referrals to each client's family members, service providers, and other third parties on behalf of the client in need of emergency services.

(b) If a county provides engagement services under section 253B.041, the county's emergency service providers must refer clients to engagement services when the client meets the criteria for engagement services.

Subd. 2. **Specific requirements.** (a) The county board shall require that all service providers of emergency services to adults or children with mental illness provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, clinical trainee, or mental health practitioner.

(b) The commissioner may waive the requirement in paragraph (a) that the evening, weekend, and holiday service be provided by a mental health professional, clinical trainee, or mental health practitioner if the county documents that:

(1) mental health professionals, clinical trainees, or mental health practitioners are unavailable to provide this service;

(2) services are provided by a designated person with training in human services who receives treatment supervision from a mental health professional; and

(3) the service provider is not also the provider of fire and public safety emergency services.

(c) The commissioner may waive the requirement in paragraph (b), clause (3), that the evening, weekend, and holiday service not be provided by the provider of fire and public safety emergency services if:

(1) every person who will be providing the first telephone contact has received at least eight hours of training on emergency mental health services approved by the commissioner;

(2) every person who will be providing the first telephone contact will annually receive at least four hours of continued training on emergency mental health services approved by the commissioner;

(3) the local social service agency has provided public education about available emergency mental health services and can assure potential users of emergency services that their calls will be handled appropriately;

(4) the local social service agency agrees to provide the commissioner with accurate data on the number of emergency mental health service calls received;

(5) the local social service agency agrees to monitor the frequency and quality of emergency services; and

(6) the local social service agency describes how it will comply with paragraph (d).

(d) Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available on call for an emergency assessment and crisis intervention services, and must be available for at least telephone consultation within 30 minutes.

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

(1) ~~develop a central phone number where calls can be routed to the appropriate crisis services~~ promote the 988 Lifeline;

(2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;

(3) expand crisis services across the state, including rural areas of the state and examining access per population;

(4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and

(5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis residential or intensive residential treatment beds available to meet the needs of the residents in the region. At least 50 percent of the funds must be distributed to programs in rural Minnesota. Grant funds may be used for start-up costs, including but not limited to renovations, furnishings, and staff training. Grant applications shall provide details on how the intended service will address identified needs and shall demonstrate collaboration with crisis teams, other mental health providers, hospitals, and police.

Sec. 7. Minnesota Statutes 2024, section 245.4711, subdivision 1, is amended to read:

Subdivision 1. **Availability of case management services.** (a) ~~By January 1, 1989,~~ The county board shall provide case management services for all adults with serious and persistent mental illness or a complex post-traumatic stress disorder who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness or a complex post-traumatic stress disorder eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

(c) Case management services are eligible for reimbursement under the medical assistance program. Costs associated with mentoring, supervision, and continuing education may be included in the reimbursement rate methodology used for case management services under the medical assistance program.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2024, section 245.4711, subdivision 4, is amended to read:

Subd. 4. **Individual community support plan.** (a) The case manager must develop an individual community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed at least every 180 days after it is developed, unless the case manager receives a written request from the client or the client's family for a review of the plan every 90 days after it is developed. The case manager is responsible for developing the individual community support

plan based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the adult with serious and persistent mental illness or a complex post-traumatic stress disorder, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

(b) The client's individual community support plan must state:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual community support plan.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

Subdivision 1. **Availability of community support services.** (a) County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness or a complex post-traumatic stress disorder who are residents of the county. Adults may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness or a complex post-traumatic stress disorder to:

(1) find and maintain competitive employment;

(2) handle basic activities of daily living;

(3) participate in leisure time activities;

(4) set goals and plans; and

(5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

(b) Community support services are those services that are supportive in nature and not necessarily treatment oriented, and include:

(1) conducting outreach activities such as home visits, health and wellness checks, and problem solving;

(2) connecting people to resources to meet their basic needs;

(3) finding, securing, and supporting people in their housing;

(4) attaining and maintaining health insurance benefits;

(5) assisting with job applications, finding and maintaining employment, and securing a stable financial situation;

(6) fostering social support, including support groups, mentoring, peer support, and other efforts to prevent isolation and promote recovery; and

(7) educating about mental illness, treatment, and recovery.

(c) Community support services shall use all available funding streams. The county shall maintain the level of expenditures for this program, as required under section 245.4835. County boards must continue to provide funds for those services not covered by other funding streams and to maintain an infrastructure to carry out these services. The county is encouraged to fund evidence-based practices such as Individual Placement and Supported Employment and Illness Management and Recovery.

(d) The commissioner shall collect data on community support services programs, including, but not limited to, demographic information such as age, sex, race, the number of people served, and information related to housing, employment, hospitalization, symptoms, and satisfaction with services.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

Subd. 3. **Benefits assistance.** The county board must offer to help adults with serious and persistent mental illness or a complex post-traumatic stress disorder in applying for state and federal benefits, including Supplemental Security Income, medical assistance, Medicare, general assistance, and Minnesota supplemental aid. The help must be offered as part of the community support program available to adults with serious and persistent mental illness or a complex post-traumatic stress disorder for whom the county is financially responsible and who may qualify for these benefits.

Sec. 11. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) be a mental health practitioner under section 245I.04, subdivision 4, or have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to,

social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree, with a bachelor's degree that is not in one of the behavioral sciences or related fields, or who is not a mental health practitioner and does not have a bachelor's degree must meet one of the requirements in clauses (1) to ~~(3)~~ (5):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; ~~or~~

(3) be a person who qualified as a case manager under the 1998 Department of Human Services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section~~.~~;

(4) prior to direct service delivery, complete at least 80 hours of specific training on the characteristics and needs of children with severe emotional disturbance, consistent with national practices standards; or

(5) prior to direct service delivery, demonstrate competency in practice and knowledge of the characteristics and needs of children with severe emotional disturbance, consistent with national practices standards.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious emotional disturbance as defined in subdivision 6 within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) have 6,000 hours of supervised work experience in the delivery of mental health services to children with emotional disturbances; hours worked as a mental health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of supervised work experience.

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in severe emotional disturbance and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with severe emotional disturbance of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. Minnesota Statutes 2024, section 245.4871, is amended by adding a subdivision to read:

Subd. 7a. **Clinical supervision.** "Clinical supervision" means the oversight responsibility for individual treatment plans and individual mental health service delivery, including oversight provided by the case manager. Clinical supervision must be provided by a mental health professional. The supervising mental health professional must cosign an individual treatment plan, and their name must be documented in the client's record.

Sec. 13. Minnesota Statutes 2024, section 245.4881, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** (a) Upon a determination of eligibility for case management services, the case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, ~~and~~ monitor the provision of services, and if the child and parent or legal guardian consent, complete a written functional assessment as defined by section 245.4871, subdivision 18a. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall note in the child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and child's family. The case manager shall note this provision in the child's record.

Sec. 14. Minnesota Statutes 2024, section 245.4901, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities and related expenses may include but are not limited to:

(1) identifying and diagnosing mental health conditions and substance use disorders of students;

(2) delivering mental health and substance use disorder treatment and services to students and their families, including via telehealth consistent with section 256B.0625, subdivision 3b;

(3) supporting families in meeting their child's needs, including accessing needed mental health services to support the parent in caregiving and navigating health care, social service, and juvenile justice systems;

(4) providing transportation for students receiving school-linked behavioral health services when school is not in session;

(5) building the capacity of schools to meet the needs of students with mental health and substance use disorder concerns, including school staff development activities for licensed and nonlicensed staff; and

(6) purchasing equipment, connection charges, on-site coordination, set-up fees, and site fees in order to deliver school-linked behavioral health services via telehealth.

(b) Grantees shall obtain all available third-party reimbursement sources as a condition of receiving a grant. For purposes of this grant program, a third-party reimbursement source excludes a public school as defined in section 120A.20, subdivision 1. Grantees shall serve students regardless of health coverage status or ability to pay.

Sec. 15. **[245.4904] INTERMEDIATE SCHOOL DISTRICT BEHAVIORAL HEALTH GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a grant program to improve behavioral health outcomes for youth attending a qualifying school unit and to build the capacity of schools to support student and teacher needs in the classroom. For purposes of this section, "qualifying school unit" means an intermediate school district organized under section 136D.01.

Subd. 2. **Eligible applicants.** An eligible applicant is an intermediate school district organized under section 136D.01, and a partner entity or provider that has demonstrated capacity to serve the youth identified in subdivision 1 that is:

(1) a mental health clinic certified under section 245I.20;

(2) a community mental health center under section 256B.0625, subdivision 5;

(3) an Indian health service facility or a facility owned and operated by a Tribe or Tribal organization operating under United States Code, title 25, section 5321;

(4) a provider of children's therapeutic services and supports as defined in section 256B.0943;

(5) enrolled in medical assistance as a mental health or substance use disorder provider agency and employs at least two full-time equivalent mental health professionals qualified according to section 245I.04, subdivision 2, or two alcohol and drug counselors licensed or exempt from licensure under chapter 148F who are qualified to provide clinical services to children and families;

(6) licensed under chapter 245G and in compliance with the applicable requirements in chapters 245A, 245C, and 260E; section 626.557; and Minnesota Rules, chapter 9544; or

(7) a licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 254B.05, subdivision 1, paragraph (b).

Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities and related expenses include but are not limited to:

(1) identifying mental health conditions and substance use disorders of students;

(2) delivering mental health and substance use disorder treatment and supportive services to students and their families within the classroom, including via telehealth consistent with section 256B.0625, subdivision 3b;

(3) delivering therapeutic interventions and customizing an array of supplementary learning experiences for students;

(4) supporting families in meeting their child's needs, including navigating health care, social service, and juvenile justice systems;

(5) providing transportation for students receiving behavioral health services when school is not in session;

(6) building the capacity of schools to meet the needs of students with mental health and substance use disorder concerns, including school staff development activities for licensed and nonlicensed staff; and

(7) purchasing equipment, connection charges, on-site coordination, set-up fees, and site fees in order to deliver school-linked behavioral health services via telehealth.

(b) Grantees must obtain all available third-party reimbursement sources as a condition of receiving grant funds. For purposes of this grant program, a third-party reimbursement source does not include a public school as defined in section 120A.20, subdivision 1. Grantees shall serve students regardless of health coverage status or ability to pay.

Subd. 4. **Calculating the share of the appropriation.** (a) Grants must be awarded to qualifying school units proportionately.

(b) The commissioner must calculate the share of the appropriation to be used in each qualifying school unit by multiplying the total appropriation going to the grantees by the qualifying school unit's average daily membership in a setting of federal instructional level 4 or higher and then dividing by the total average daily membership in a setting of federal instructional level 4 or higher for the same year for all qualifying school units.

Subd. 5. **Data collection and outcome measurement.** Grantees must provide data to the commissioner for the purpose of evaluating the Intermediate School District Behavioral Health Innovation grant program. The commissioner must consult with grantees to develop outcome measures for program capacity and performance.

Sec. 16. Minnesota Statutes 2024, section 245.4907, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training for mental health ~~certified~~ family peer ~~specialists~~ specialist candidates and continuing education to certified family peer specialists as specified in section 256B.0616, subdivision 5.

Sec. 17. Minnesota Statutes 2024, section 245.50, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** A contract may not be entered into under this section for services to persons who:

(1) are serving a sentence after conviction of a criminal offense;

~~(2) are on probation or parole;~~

~~(3)~~ (2) are the subject of a presentence investigation; or

~~(4)~~ (3) have been committed involuntarily in Minnesota under chapter 253B for treatment of mental illness or chemical dependency, except as provided under subdivision 5.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 18. Minnesota Statutes 2024, section 245.50, is amended by adding a subdivision to read:

Subd. 6. **Contract notice.** A Minnesota mental health, chemical health, or detoxification agency or facility entering into a contract with a bordering state under this section must, within 30 days of the contract's effective date, provide the commissioner of human services with a copy of the contract. If the contract is amended, the agency or facility must provide the commissioner with a copy of each amendment within 30 days of the amendment's effective date.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 19. Minnesota Statutes 2024, section 245I.05, subdivision 3, is amended to read:

Subd. 3. **Initial training.** (a) A staff person must receive training about:

(1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

(2) the maltreatment of minor reporting requirements and definitions in chapter 260E within 72 hours of first providing direct contact services to a client.

(b) Before providing direct contact services to a client, a staff person must receive training about:

(1) client rights and protections under section 245I.12;

(2) the Minnesota Health Records Act, including client confidentiality, family engagement under section 144.294, and client privacy;

(3) emergency procedures that the staff person must follow when responding to a fire, inclement weather, a report of a missing person, and a behavioral or medical emergency;

(4) specific activities and job functions for which the staff person is responsible, including the license holder's program policies and procedures applicable to the staff person's position;

(5) professional boundaries that the staff person must maintain; and

(6) specific needs of each client to whom the staff person will be providing direct contact services, including each client's developmental status, cognitive functioning, and physical and mental abilities.

(c) Before providing direct contact services to a client, a mental health rehabilitation worker, mental health behavioral aide, or mental health practitioner required to receive the training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

(1) mental illnesses;

(2) client recovery and resiliency;

(3) mental health de-escalation techniques;

(4) co-occurring mental illness and substance use disorders; and

(5) psychotropic medications and medication side effects, including tardive dyskinesia.

(d) Within 90 days of first providing direct contact services to an adult client, mental health practitioner, mental health certified peer specialist, or mental health rehabilitation worker must receive training about:

(1) trauma-informed care and secondary trauma;

(2) person-centered individual treatment plans, including seeking partnerships with family and other natural supports;

(3) co-occurring substance use disorders; and

(4) culturally responsive treatment practices.

(e) Within 90 days of first providing direct contact services to a child client, mental health practitioner, mental health certified family peer specialist, mental health certified peer specialist, or mental health behavioral aide must receive training about the topics in clauses (1) to (5). This training must address the developmental characteristics of each child served by the license holder and address the needs of each child in the context of the child's family, support system, and culture. Training topics must include:

(1) trauma-informed care and secondary trauma, including adverse childhood experiences (ACEs);

(2) family-centered treatment plan development, including seeking partnership with a child client's family and other natural supports;

(3) mental illness and co-occurring substance use disorders in family systems;

(4) culturally responsive treatment practices; and

(5) child development, including cognitive functioning, and physical and mental abilities.

(f) For a mental health behavioral aide, the training under paragraph (e) must include parent team training using a curriculum approved by the commissioner.

Sec. 20. Minnesota Statutes 2024, section 245I.05, subdivision 5, is amended to read:

Subd. 5. **Additional training for medication administration.** (a) Prior to administering medications to a client under delegated authority or observing a client self-administer medications, a staff person who is not a licensed prescriber, registered nurse, or licensed practical nurse qualified under section 148.171, subdivision 8, must receive training about psychotropic medications, side effects including tardive dyskinesia, and medication management.

(b) Prior to administering medications to a client under delegated authority, a staff person must successfully complete a:

(1) medication administration training program for unlicensed personnel through an accredited Minnesota postsecondary educational institution with completion of the course documented in writing and placed in the staff person's personnel file; or

(2) formalized training program taught by a registered nurse or licensed prescriber that is offered by the license holder. A staff person's successful completion of the formalized training program must include direct observation of the staff person to determine the staff person's areas of competency.

Sec. 21. Minnesota Statutes 2024, section 245I.06, subdivision 3, is amended to read:

Subd. 3. **Treatment supervision and direct observation of mental health rehabilitation workers and mental health behavioral aides.** (a) A mental health behavioral aide or a mental health rehabilitation worker must receive direct observation from a mental health professional, clinical trainee, certified rehabilitation specialist, or mental health practitioner while the mental health behavioral aide or mental health rehabilitation worker provides treatment services to clients, no less than twice per month for the first six months of employment and once per month thereafter. ~~The staff person performing the direct observation must approve of the progress note for the observed treatment service.~~

(b) For a mental health rehabilitation worker qualified under section 245I.04, subdivision 14, paragraph (a), clause (2), item (i), treatment supervision in the first 2,000 hours of work must at a minimum consist of:

(1) monthly individual supervision; and

(2) direct observation twice per month.

Sec. 22. Minnesota Statutes 2024, section 245I.11, subdivision 5, is amended to read:

Subd. 5. **Medication administration in residential programs.** If a license holder is licensed as a residential program, the license holder must:

(1) assess and document each client's ability to self-administer medication. In the assessment, the license holder must evaluate the client's ability to: (i) comply with prescribed medication regimens; and (ii) store the client's medications safely and in a manner that protects other individuals in the facility. Through the assessment process, the license holder must assist the client in developing the skills necessary to safely self-administer medication;

(2) monitor the effectiveness of medications, side effects of medications, and adverse reactions to medications, including symptoms and signs of tardive dyskinesia, for each client. The license holder must address and document any concerns about a client's medications;

(3) ensure that no staff person or client gives a legend drug supply for one client to another client;

(4) have policies and procedures for: (i) keeping a record of each client's medication orders; (ii) keeping a record of any incident of deferring a client's medications; (iii) documenting any incident when a client's medication is omitted; and (iv) documenting when a client refuses to take medications as prescribed; and

(5) document and track medication errors, document whether the license holder notified anyone about the medication error, determine if the license holder must take any follow-up actions, and identify the staff persons who are responsible for taking follow-up actions.

Sec. 23. Minnesota Statutes 2024, section 245I.12, subdivision 5, is amended to read:

Subd. 5. **Client grievances.** (a) The license holder must have a grievance procedure that:

(1) describes to clients how the license holder will meet the requirements in this subdivision; and

(2) contains the current public contact information of the Department of Human Services, Licensing Division; the Office of Ombudsman for Mental Health and Developmental Disabilities; the Department of Health, Office of Health Facilities Complaints; and all applicable health-related licensing boards.

(b) On the day of each client's admission, the license holder must explain the grievance procedure to the client.

(c) The license holder must:

(1) post the grievance procedure in a place visible to clients and provide a copy of the grievance procedure upon request;

(2) allow clients, former clients, and their authorized representatives to submit a grievance to the license holder;

(3) within three business days of receiving a client's grievance, acknowledge in writing that the license holder received the client's grievance. If applicable, the license holder must include a notice of the client's separate appeal rights for a managed care organization's reduction, termination, or denial of a covered service;

(4) within 15 business days of receiving a client's grievance, provide a written final response to the client's grievance containing the license holder's official response to the grievance; and

(5) allow the client to bring a grievance to the person with the highest level of authority in the program.

(d) Clients may voice grievances and recommend changes in policies and services to staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge.

Sec. 24. Minnesota Statutes 2024, section 245I.23, subdivision 7, is amended to read:

Subd. 7. **Intensive residential treatment services assessment and treatment planning.** (a) Within 12 hours of a client's admission, the license holder must evaluate and document the client's immediate needs, including the client's:

(1) health and safety, including the client's need for crisis assistance;

(2) responsibilities for children, family and other natural supports, and employers; and

(3) housing and legal issues.

(b) Within 24 hours of the client's admission, the license holder must complete an initial treatment plan for the client. The license holder must:

(1) base the client's initial treatment plan on the client's referral information and an assessment of the client's immediate needs;

(2) consider crisis assistance strategies that have been effective for the client in the past;

(3) identify the client's initial treatment goals, measurable treatment objectives, and specific interventions that the license holder will use to help the client engage in treatment;

(4) identify the participants involved in the client's treatment planning. The client must be a participant; and

(5) ensure that a treatment supervisor approves of the client's initial treatment plan if a mental health practitioner or clinical trainee completes the client's treatment plan, notwithstanding section 245I.08, subdivision 3.

(c) According to section 245A.65, subdivision 2, paragraph (b), the license holder must complete an individual abuse prevention plan as part of a client's initial treatment plan.

(d) Within ~~five~~ ten days of the client's admission and again within 60 days after the client's admission, the license holder must complete a level of care assessment of the client. If the license

holder determines that a client does not need a medically monitored level of service, a treatment supervisor must document how the client's admission to and continued services in intensive residential treatment services are medically necessary for the client.

(e) Within ten days of a client's admission, the license holder must complete or review and update the client's standard diagnostic assessment.

(f) Within ten days of a client's admission, the license holder must complete the client's individual treatment plan, notwithstanding section 245I.10, subdivision 8. Within 40 days after the client's admission and again within 70 days after the client's admission, the license holder must update the client's individual treatment plan. The license holder must focus the client's treatment planning on preparing the client for a successful transition from intensive residential treatment services to another setting. In addition to the required elements of an individual treatment plan under section 245I.10, subdivision 8, the license holder must identify the following information in the client's individual treatment plan: (1) the client's referrals and resources for the client's health and safety; and (2) the staff persons who are responsible for following up with the client's referrals and resources. If the client does not receive a referral or resource that the client needs, the license holder must document the reason that the license holder did not make the referral or did not connect the client to a particular resource. The license holder is responsible for determining whether additional follow-up is required on behalf of the client.

(g) Within 30 days of the client's admission, the license holder must complete a functional assessment of the client. Within 60 days after the client's admission, the license holder must update the client's functional assessment to include any changes in the client's functioning and symptoms.

(h) For a client with a current substance use disorder diagnosis and for a client whose substance use disorder screening in the client's standard diagnostic assessment indicates the possibility that the client has a substance use disorder, the license holder must complete a written assessment of the client's substance use within 30 days of the client's admission. In the substance use assessment, the license holder must: (1) evaluate the client's history of substance use, relapses, and hospitalizations related to substance use; (2) assess the effects of the client's substance use on the client's relationships including with family member and others; (3) identify financial problems, health issues, housing instability, and unemployment; (4) assess the client's legal problems, past and pending incarceration, violence, and victimization; and (5) evaluate the client's suicide attempts, noncompliance with taking prescribed medications, and noncompliance with psychosocial treatment.

(i) On a weekly basis, a mental health professional or certified rehabilitation specialist must review each client's treatment plan and individual abuse prevention plan. The license holder must document in the client's file each weekly review of the client's treatment plan and individual abuse prevention plan.

Sec. 25. Minnesota Statutes 2024, section 256B.0616, subdivision 4, is amended to read:

Subd. 4. **Family peer support ~~specialist~~ program providers.** The commissioner shall develop a process to certify family peer support ~~specialist~~ programs, in accordance with the federal guidelines, in order for the program to bill for reimbursable services. Family peer support programs must operate within an existing mental health community provider or center.

Sec. 26. Minnesota Statutes 2024, section 256B.0616, subdivision 5, is amended to read:

Subd. 5. **Certified family peer specialist training and certification.** (a) The commissioner shall develop ~~a~~ or approve the use of an existing training and certification process for ~~certified~~ certifying family peer specialists. ~~The~~ Family peer specialist candidates must have raised or be currently raising a child with a mental illness, have ~~had~~ experience navigating the children's mental health system, and ~~must~~ demonstrate leadership and advocacy skills and a strong dedication to family-driven and family-focused services. The training curriculum must teach participating family peer ~~specialists~~ specialist candidates specific skills relevant to providing peer support to other parents and youth.

(b) In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to family peer support counseling.

(c) Initial training leading to certification as a family peer specialist and continuing education for certified family peer specialists must be delivered by the commissioner or a third-party organization approved by the commissioner. An approved third-party organization may also provide continuing education of certified family peer specialists.

Sec. 27. Minnesota Statutes 2024, section 256B.0622, subdivision 3a, is amended to read:

Subd. 3a. **Provider certification and contract requirements for assertive community treatment.** (a) The assertive community treatment provider must have each ACT team be certified by the state following the certification process and procedures developed by the commissioner. The certification process determines whether the ACT team meets the standards for assertive community treatment under this section, the standards in chapter 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards as measured by a nationally recognized fidelity tool approved by the commissioner. Recertification must occur at least every three years.

(b) An ACT team certified under this subdivision must meet the following standards:

(1) have capacity to recruit, hire, manage, and train required ACT team members;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure flexibility in service delivery to respond to the changing and intermittent care needs of a client as identified by the client and the individual treatment plan;

(4) keep all necessary records required by law;

(5) be an enrolled Medicaid provider; ~~and~~

(6) establish and maintain a quality assurance plan to determine specific service outcomes and the client's satisfaction with services~~.~~; and

(7) ensure that overall treatment supervision to the ACT team is provided by a qualified member of the ACT team and is available during and after regular business hours and on weekends and holidays.

(c) The commissioner may intervene at any time and decertify an ACT team with cause. The commissioner shall establish a process for decertification of an ACT team and shall require corrective action, medical assistance repayment, or decertification of an ACT team that no longer meets the

requirements in this section or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification process. The decertification is subject to appeal to the state.

Sec. 28. Minnesota Statutes 2024, section 256B.0622, subdivision 7a, is amended to read:

Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a) The required treatment staff qualifications and roles for an ACT team are:

(1) the team leader:

(i) ~~shall~~ must be a mental health professional~~. Individuals who are not licensed but who are eligible for licensure and are otherwise qualified may also fulfill this role~~, clinical trainee, or mental health practitioner;

(ii) must be an active member of the ACT team and provide some direct services to clients;

(iii) must be a single full-time staff member, dedicated to the ACT team, who is responsible for overseeing the administrative operations of the team and supervising team members to ensure delivery of best and ethical practices; and

(iv) must be available to ensure that overall treatment supervision to the ACT team is available after regular business hours and on weekends and holidays and is provided by a qualified member of the ACT team;

(2) the psychiatric care provider:

(i) must be a mental health professional permitted to prescribe psychiatric medications as part of the mental health professional's scope of practice. The psychiatric care provider must have demonstrated clinical experience working with individuals with serious and persistent mental illness;

(ii) shall collaborate with the team leader in sharing overall clinical responsibility for screening and admitting clients; monitoring clients' treatment and team member service delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects, and health-related conditions; actively collaborating with nurses; and helping provide treatment supervision to the team;

(iii) shall fulfill the following functions for assertive community treatment clients: provide assessment and treatment of clients' symptoms and response to medications, including side effects; provide brief therapy to clients; provide diagnostic and medication education to clients, with medication decisions based on shared decision making; monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and community visits;

(iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized for mental health treatment and shall communicate directly with the client's inpatient psychiatric care providers to ensure continuity of care;

(v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per 50 clients. Part-time psychiatric care providers shall have designated hours to work on the team, with sufficient blocks of time on consistent days to carry out the provider's clinical, supervisory, and

administrative responsibilities. No more than two psychiatric care providers may share this role; and

(vi) shall provide psychiatric backup to the program after regular business hours and on weekends and holidays. The psychiatric care provider may delegate this duty to another qualified psychiatric provider;

(3) the nursing staff:

(i) shall consist of one to three registered nurses or advanced practice registered nurses, of whom at least one has a minimum of one-year experience working with adults with serious mental illness and a working knowledge of psychiatric medications. No more than two individuals can share a full-time equivalent position;

(ii) are responsible for managing medication, administering and documenting medication treatment, and managing a secure medication room; and

(iii) shall develop strategies, in collaboration with clients, to maximize taking medications as prescribed; screen and monitor clients' mental and physical health conditions and medication side effects; engage in health promotion, prevention, and education activities; communicate and coordinate services with other medical providers; facilitate the development of the individual treatment plan for clients assigned; and educate the ACT team in monitoring psychiatric and physical health symptoms and medication side effects;

(4) the co-occurring disorder specialist:

(i) shall be a full-time equivalent co-occurring disorder specialist who has received specific training on co-occurring disorders that is consistent with national evidence-based practices. The training must include practical knowledge of common substances and how they affect mental illnesses, the ability to assess substance use disorders and the client's stage of treatment, motivational interviewing, and skills necessary to provide counseling to clients at all different stages of change and treatment. The co-occurring disorder specialist may also be an individual who is a licensed alcohol and drug counselor as described in section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience, and other requirements in section 245G.11, subdivision 5. No more than two co-occurring disorder specialists may occupy this role; and

(ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients. The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT team members on co-occurring disorders;

(5) the vocational specialist:

(i) shall be a full-time vocational specialist who has at least one-year experience providing employment services or advanced education that involved field training in vocational services to individuals with mental illness. An individual who does not meet these qualifications may also serve as the vocational specialist upon completing a training plan approved by the commissioner;

(ii) shall provide or facilitate the provision of vocational services to clients. The vocational specialist serves as a consultant and educator to fellow ACT team members on these services; and

(iii) must not refer individuals to receive any type of vocational services or linkage by providers outside of the ACT team;

(6) the mental health certified peer specialist:

(i) shall be a full-time equivalent. No more than two individuals can share this position. The mental health certified peer specialist is a fully integrated team member who provides highly individualized services in the community and promotes the self-determination and shared decision-making abilities of clients. This requirement may be waived due to workforce shortages upon approval of the commissioner;

(ii) must provide coaching, mentoring, and consultation to the clients to promote recovery, self-advocacy, and self-direction, promote wellness management strategies, and assist clients in developing advance directives; and

(iii) must model recovery values, attitudes, beliefs, and personal action to encourage wellness and resilience, provide consultation to team members, promote a culture where the clients' points of view and preferences are recognized, understood, respected, and integrated into treatment, and serve in a manner equivalent to other team members;

(7) the program administrative assistant shall be a full-time office-based program administrative assistant position assigned to solely work with the ACT team, providing a range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness, persons with a complex post-traumatic stress disorder, and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

(1) at least a face-to-face contact with the adult or the adult's legal representative either in person or by interactive video that meets the requirements of subdivision 20b; or

(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(p) If the recipient is receiving care in a hospital, nursing facility, or residential setting licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week, mental health targeted case management services must actively support identification of community alternatives for the recipient and discharge planning.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 30. Minnesota Statutes 2024, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

(f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

(g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or treatment of the human immunodeficiency virus (HIV).

(h) Co-payments, coinsurance, and deductibles do not apply to mobile crisis intervention, as defined in section 256B.0624, subdivision 2, paragraph (d).

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Laws 2023, chapter 70, article 20, section 2, subdivision 7, is amended to read:

Subd. 7. **Central Office; Behavioral Health, Deaf and Hard of Hearing, and Housing Services**

	Appropriations by Fund	
General	27,870,000	27,592,000
Lottery Prize	163,000	163,000

(a) **Homeless management system.** $250,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025 are from the general fund for a homeless management information system. The base for this appropriation is $1,140,000 in fiscal year 2026 and $1,140,000 in fiscal year 2027.

(b) **Online behavioral health program locator.** $959,000 in fiscal year 2024 and $959,000 in fiscal year 2025 are from the general fund for an online behavioral health program locator. Beginning July 1, 2025, any vendor of the online behavioral health program locator selected by the commissioner of human services to perform the duties under this paragraph must be based in Minnesota.

(c) **Integrated services for children and families.** $286,000 in fiscal year 2024 and $286,000 in fiscal year 2025 are from the general fund for integrated services for children and families projects. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $1,797,000 of the appropriation in fiscal year 2024 is available until June 30, 2027.

(d) **Carryforward authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $842,000 of the appropriation in fiscal year 2024 is available until June 30, 2027, and $852,000 of the appropriation in fiscal year 2025 is available until June 30, 2028.

(f) **Base level adjustment.** The general fund base is $25,243,000 in fiscal year 2026 and $24,682,000 in fiscal year 2027.

ARTICLE 10

CHILDREN'S MENTAL HEALTH TERMINOLOGY

Section 1. Minnesota Statutes 2024, section 62Q.527, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

~~(b) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

~~(c)~~ (b) "Mental illness" has the meaning given in ~~section~~ sections 245.462, subdivision 20, paragraph (a), and 245.4871, subdivision 15.

~~(d)~~ (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages described in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 2. Minnesota Statutes 2024, section 62Q.527, subdivision 2, is amended to read:

Subd. 2. **Required coverage for antipsychotic drugs.** (a) A health plan that provides prescription drug coverage must provide coverage for an antipsychotic drug prescribed to treat ~~emotional disturbance or~~ mental illness regardless of whether the drug is in the health plan's drug formulary, if the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the health care provider has considered all equivalent drugs in the health plan's drug formulary and has determined that the drug prescribed will best treat the patient's condition.

(b) The health plan is not required to provide coverage for a drug if the drug was removed from the health plan's drug formulary for safety reasons.

(c) For drugs covered under this section, no health plan company that has received a certification from the health care provider as described in paragraph (a) may:

(1) impose a special deductible, co-payment, coinsurance, or other special payment requirement that the health plan does not apply to drugs that are in the health plan's drug formulary; or

(2) require written certification from the prescribing provider each time a prescription is refilled or renewed that the drug prescribed will best treat the patient's condition.

Sec. 3. Minnesota Statutes 2024, section 62Q.527, subdivision 3, is amended to read:

Subd. 3. **Continuing care.** (a) Enrollees receiving a prescribed drug to treat a diagnosed mental illness ~~or emotional disturbance~~ may continue to receive the prescribed drug for up to one year without the imposition of a special deductible, co-payment, coinsurance, or other special payment requirements, when a health plan's drug formulary changes or an enrollee changes health plans and

the medication has been shown to effectively treat the patient's condition. In order to be eligible for this continuing care benefit:

(1) the patient must have been treated with the drug for 90 days prior to a change in a health plan's drug formulary or a change in the enrollee's health plan;

(2) the health care provider prescribing the drug indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(3) the health care provider prescribing the drug certifies in writing to the health plan company that the drug prescribed will best treat the patient's condition.

(b) The continuing care benefit shall be extended annually when the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the drug prescribed will best treat the patient's condition.

(c) The health plan company is not required to provide coverage for a drug if the drug was removed from the health plan's drug formulary for safety reasons.

Sec. 4. Minnesota Statutes 2024, section 121A.61, subdivision 3, is amended to read:

Subd. 3. **Policy components.** The policy must include at least the following components:

(a) rules governing student conduct and procedures for informing students of the rules;

(b) the grounds for removal of a student from a class;

(c) the authority of the classroom teacher to remove students from the classroom pursuant to procedures and rules established in the district's policy;

(d) the procedures for removal of a student from a class by a teacher, school administrator, or other school district employee;

(e) the period of time for which a student may be removed from a class, which may not exceed five class periods for a violation of a rule of conduct;

(f) provisions relating to the responsibility for and custody of a student removed from a class;

(g) the procedures for return of a student to the specified class from which the student has been removed;

(h) the procedures for notifying a student and the student's parents or guardian of violations of the rules of conduct and of resulting disciplinary actions;

(i) any procedures determined appropriate for encouraging early involvement of parents or guardians in attempts to improve a student's behavior;

(j) any procedures determined appropriate for encouraging early detection of behavioral problems;

(k) any procedures determined appropriate for referring a student in need of special education services to those services;

(l) any procedures determined appropriate for ensuring victims of bullying who respond with behavior not allowed under the school's behavior policies have access to a remedial response, consistent with section 121A.031;

(m) the procedures for consideration of whether there is a need for a further assessment or of whether there is a need for a review of the adequacy of a current individualized education program of a student with a disability who is removed from class;

(n) procedures for detecting and addressing chemical abuse problems of a student while on the school premises;

(o) the minimum consequences for violations of the code of conduct;

(p) procedures for immediate and appropriate interventions tied to violations of the code;

(q) a provision that states that a teacher, school employee, school bus driver, or other agent of a district may use reasonable force in compliance with section 121A.582 and other laws;

(r) an agreement regarding procedures to coordinate crisis services to the extent funds are available with the county board responsible for implementing sections 245.487 to 245.4889 for students with a serious ~~emotional disturbance~~ mental illness or other students who have an individualized education program whose behavior may be addressed by crisis intervention;

(s) a provision that states a student must be removed from class immediately if the student engages in assault or violent behavior. For purposes of this paragraph, "assault" has the meaning given it in section 609.02, subdivision 10. The removal shall be for a period of time deemed appropriate by the principal, in consultation with the teacher;

(t) a prohibition on the use of exclusionary practices for early learners as defined in section 121A.425; and

(u) a prohibition on the use of exclusionary practices to address attendance and truancy issues.

Sec. 5. Minnesota Statutes 2024, section 128C.02, subdivision 5, is amended to read:

Subd. 5. **Rules for open enrollees.** (a) The league shall adopt league rules and regulations governing the athletic participation of pupils attending school in a nonresident district under section 124D.03.

(b) Notwithstanding other law or league rule or regulation to the contrary, when a student enrolls in or is readmitted to a recovery-focused high school after successfully completing a licensed program for treatment of alcohol or substance abuse~~,~~ or mental illness, ~~or emotional disturbance,~~ the student

is immediately eligible to participate on the same basis as other district students in the league-sponsored activities of the student's resident school district. Nothing in this paragraph prohibits the league or school district from enforcing a league or district penalty resulting from the student violating a league or district rule.

(c) The league shall adopt league rules making a student with an individualized education program who transfers from one public school to another public school as a reasonable accommodation to reduce barriers to educational access immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers. The league also must establish guidelines, consistent with this paragraph, for reviewing the 504 plan of a student who transfers between public schools to determine whether the student is immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers.

Sec. 6. Minnesota Statutes 2024, section 142G.02, subdivision 56, is amended to read:

Subd. 56. **Learning disabled.** "Learning disabled," for purposes of an extension to the 60-month time limit under section 142G.42, subdivision 4, clause (3), means the person has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor disabilities; developmental disability; ~~emotional disturbance;~~ or mental illness or due to environmental, cultural, or economic disadvantage.

Sec. 7. Minnesota Statutes 2024, section 142G.27, subdivision 4, is amended to read:

Subd. 4. **Good cause exemptions for not attending orientation.** (a) The county agency shall not impose the sanction under section 142G.70 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets the disability or medical criteria for home care services under section 256B.0659, or a home and community-based waiver services program under chapter 256B, or meets the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 8. Minnesota Statutes 2024, section 142G.42, subdivision 3, is amended to read:

Subd. 3. **Ill or incapacitated.** (a) An assistance unit subject to the time limit in section 142G.40, subdivision 1, is eligible to receive months of assistance under a hardship extension if the participant who reached the time limit belongs to any of the following groups:

(1) participants who are suffering from an illness, injury, or incapacity which has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and severely limits the person's ability to obtain or maintain suitable employment. These participants must follow the treatment recommendations of the qualified professional certifying the illness, injury, or incapacity;

(2) participants whose presence in the home is required as a caregiver because of the illness, injury, or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for a person to provide assistance in the home has been certified by a qualified professional and is expected to continue for more than 30 days; or

(3) caregivers with a child or an adult in the household who meets the disability or medical criteria for home care services under section 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services program under chapter 256B, or meets the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c). Caregivers in this category are presumed to be prevented from obtaining or maintaining suitable employment.

(b) An assistance unit receiving assistance under a hardship extension under this subdivision may continue to receive assistance as long as the participant meets the criteria in paragraph (a), clause (1), (2), or (3).

Sec. 9. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

(b) A case manager must:

(1) be skilled in the process of identifying and assessing a wide range of client needs;

(2) be knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have a bachelor's degree in one of the behavioral sciences or related fields including, but not limited to,

social work, psychology, or nursing from an accredited college or university. A case manager who is not a mental health practitioner and who does not have a bachelor's degree in one of the behavioral sciences or related fields must meet the requirements of paragraph (c); and

(4) meet the supervision and continuing education requirements described in paragraphs (d), (e), and (f), as applicable.

(c) Case managers without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate as defined in this section;

(2) be a registered nurse without a bachelor's degree and have a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 Department of Human Service waiver provision and meet the continuing education and mentoring requirements in this section.

(d) A case manager with at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness must receive regular ongoing supervision and clinical supervision totaling 38 hours per year of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The remaining 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours. Clinical supervision must be documented in the client record.

(e) A case manager without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must:

(1) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour per week until the requirement of 2,000 hours of experience is met; and

(2) complete 40 hours of training approved by the commissioner in case management skills and the characteristics and needs of adults with serious and persistent mental illness.

(f) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in mental illness and mental health services every two years.

(g) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a certified peer specialist under section 256B.0615;

(iii) be a registered nurse without a bachelor's degree;

(iv) within the previous ten years, have three years of life experience with serious and persistent mental illness as defined in subdivision 20; ~~or~~ as a child had ~~severe emotional disturbance~~ a serious mental illness as defined in section 245.4871, subdivision 6; or have three years life experience as a primary caregiver to an adult with serious and persistent mental illness within the previous ten years;

(v) have 6,000 hours work experience as a nondegreed state hospital technician; or

(vi) have at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness.

Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (vi) may qualify as a case manager after three years of supervised experience as a case manager associate.

(h) A case management associate must meet the following supervision, mentoring, and continuing education requirements:

(1) have 40 hours of preservice training described under paragraph (e), clause (2);

(2) receive at least 40 hours of continuing education in mental illness and mental health services annually; and

(3) receive at least five hours of mentoring per week from a case management mentor.

A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(i) A case management supervisor must meet the criteria for mental health professionals, as specified in subdivision 18.

(j) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to adult immigrants with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of this subdivision are met.

Sec. 10. Minnesota Statutes 2024, section 245.4682, subdivision 3, is amended to read:

Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69 and chapter 256L, the commissioner is authorized to solicit, approve, and implement up to three projects to demonstrate the integration of physical and mental health services within prepaid health plans and their coordination with social services. The commissioner shall require that each project be based on locally defined partnerships that include at least one health maintenance organization, community integrated service network, or accountable provider network authorized and operating under chapter 62D, 62N, or 62T, or county-based purchasing entity under section 256B.692 that is eligible to contract with the commissioner as a prepaid health plan, and the county or counties within the service area. Counties shall retain responsibility and authority for social services in these locally defined partnerships.

(b) The commissioner, in consultation with consumers, families, and their representatives, shall:

(1) determine criteria for approving the projects and use those criteria to solicit proposals for preferred integrated networks. The commissioner must develop criteria to evaluate the partnership proposed by the county and prepaid health plan to coordinate access and delivery of services. The proposal must at a minimum address how the partnership will coordinate the provision of:

(i) client outreach and identification of health and social service needs paired with expedited access to appropriate resources;

(ii) activities to maintain continuity of health care coverage;

(iii) children's residential mental health treatment and treatment foster care;

(iv) court-ordered assessments and treatments;

(v) prepetition screening and commitments under chapter 253B;

(vi) assessment and treatment of children identified through mental health screening of child welfare and juvenile corrections cases;

(vii) home and community-based waiver services;

(viii) assistance with finding and maintaining employment;

(ix) housing; and

(x) transportation;

(2) determine specifications for contracts with prepaid health plans to improve the plan's ability to serve persons with mental health conditions, including specifications addressing:

(i) early identification and intervention of physical and behavioral health problems;

(ii) communication between the enrollee and the health plan;

(iii) facilitation of enrollment for persons who are also eligible for a Medicare special needs plan offered by the health plan;

(iv) risk screening procedures;

(v) health care coordination;

(vi) member services and access to applicable protections and appeal processes;

(vii) specialty provider networks;

(viii) transportation services;

(ix) treatment planning; and

(x) administrative simplification for providers;

(3) begin implementation of the projects no earlier than January 1, 2009, with not more than 40 percent of the statewide population included during calendar year 2009 and additional counties included in subsequent years;

(4) waive any administrative rule not consistent with the implementation of the projects;

(5) allow potential bidders at least 90 days to respond to the request for proposals; and

(6) conduct an independent evaluation to determine if mental health outcomes have improved in that county or counties according to measurable standards designed in consultation with the advisory body established under this subdivision and reviewed by the State Advisory Council on Mental Health.

(c) Notwithstanding any statute or administrative rule to the contrary, the commissioner may enroll all persons eligible for medical assistance with serious mental illness ~~or emotional disturbance~~ in the prepaid plan of their choice within the project service area unless:

(1) the individual is eligible for home and community-based services for persons with developmental disabilities and related conditions under section 256B.092; or

(2) the individual has a basis for exclusion from the prepaid plan under section 256B.69, subdivision 4, other than disability, or mental illness~~, or emotional disturbance~~.

(d) The commissioner shall involve organizations representing persons with mental illness and their families in the development and distribution of information used to educate potential enrollees regarding their options for health care and mental health service delivery under this subdivision.

(e) If the person described in paragraph (c) does not elect to remain in fee-for-service medical assistance, or declines to choose a plan, the commissioner may preferentially assign that person to the prepaid plan participating in the preferred integrated network. The commissioner shall implement

the enrollment changes within a project's service area on the timeline specified in that project's approved application.

(f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may disenroll from the plan at any time.

(g) The commissioner, in consultation with consumers, families, and their representatives, shall evaluate the projects begun in 2009, and shall refine the design of the service integration projects before expanding the projects. The commissioner shall report to the chairs of the legislative committees with jurisdiction over mental health services by March 1, 2008, on plans for evaluation of preferred integrated networks established under this subdivision.

(h) The commissioner shall apply for any federal waivers necessary to implement these changes.

(i) Payment for Medicaid service providers under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

Sec. 11. Minnesota Statutes 2024, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children ~~with emotional disturbance~~ or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 12. Minnesota Statutes 2024, section 245.4863, is amended to read:

245.4863 INTEGRATED CO-OCCURRING DISORDER TREATMENT.

(a) The commissioner shall require individuals who perform substance use disorder assessments to screen clients for co-occurring mental health disorders, and staff who perform mental health diagnostic assessments to screen for co-occurring substance use disorders. Screening tools must be approved by the commissioner. If a client screens positive for a co-occurring mental health or substance use disorder, the individual performing the screening must document what actions will be taken in response to the results and whether further assessments must be performed.

(b) Notwithstanding paragraph (a), screening is not required when:

(1) the presence of co-occurring disorders was documented for the client in the past 12 months;

(2) the client is currently receiving co-occurring disorders treatment;

(3) the client is being referred for co-occurring disorders treatment; or

(4) a mental health professional who is competent to perform diagnostic assessments of co-occurring disorders is performing a diagnostic assessment to identify whether the client may have co-occurring mental health and substance use disorders. If an individual is identified to have co-occurring mental health and substance use disorders, the assessing mental health professional must document what actions will be taken to address the client's co-occurring disorders.

(c) The commissioner shall adopt rules as necessary to implement this section. The commissioner shall ensure that the rules are effective on July 1, 2013, thereby establishing a certification process for integrated dual disorder treatment providers and a system through which individuals receive integrated dual diagnosis treatment if assessed as having both a substance use disorder and ~~either~~ a serious mental illness ~~or emotional disturbance~~.

(d) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of integrated dual diagnosis treatment to persons with co-occurring disorders.

Sec. 13. Minnesota Statutes 2024, section 245.487, subdivision 2, is amended to read:

Subd. 2. **Findings.** The legislature finds there is a need for further development of existing clinical services for ~~emotionally disturbed~~ children with mental illness and their families and the creation of new services for this population. Although the services specified in sections 245.487 to 245.4889 are mental health services, sections 245.487 to 245.4889 emphasize the need for a child-oriented and family-oriented approach of therapeutic programming and the need for continuity of care with other community agencies. At the same time, sections 245.487 to 245.4889 emphasize the importance of developing special mental health expertise in children's mental health services because of the unique needs of this population.

Nothing in sections 245.487 to 245.4889 shall be construed to abridge the authority of the court to make dispositions under chapter 260, but the mental health services due any child with serious and persistent mental illness, as defined in section 245.462, subdivision 20, or with ~~severe emotional~~

~~disturbance~~ serious mental illness, as defined in section 245.4871, subdivision 6, shall be made a part of any disposition affecting that child.

Sec. 14. Minnesota Statutes 2024, section 245.4871, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the family community support services and are designed to help the child with ~~severe emotional disturbance~~ serious mental illness and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include assisting in obtaining a comprehensive diagnostic assessment, developing an individual family community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of services over time.

Sec. 15. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with ~~severe emotional disturbance~~ serious mental illness and the child's family.

(b) A case manager must:

(1) have experience and training in working with children;

(2) have at least a bachelor's degree in one of the behavioral sciences or a related field including, but not limited to, social work, psychology, or nursing from an accredited college or university or meet the requirements of paragraph (d);

(3) have experience and training in identifying and assessing a wide range of children's needs;

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families; and

(5) meet the supervision and continuing education requirements of paragraphs (e), (f), and (g), as applicable.

(c) A case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) A case manager without a bachelor's degree must meet one of the requirements in clauses (1) to (3):

(1) have three or four years of experience as a case manager associate;

(2) be a registered nurse without a bachelor's degree who has a combination of specialized training in psychiatry and work experience consisting of community interaction and involvement or community discharge planning in a mental health setting totaling three years; or

(3) be a person who qualified as a case manager under the 1998 Department of Human Services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with ~~emotional disturbance~~ mental illness must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with ~~severe emotional disturbance~~ serious mental illness before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in ~~severe emotional disturbance~~ serious mental illness and mental health services every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

(1) work under the direction of a case manager or case management supervisor;

(2) be at least 21 years of age;

(3) have at least a high school diploma or its equivalent; and

(4) meet one of the following criteria:

(i) have an associate of arts degree in one of the behavioral sciences or human services;

(ii) be a registered nurse without a bachelor's degree;

(iii) have three years of life experience as a primary caregiver to a child with serious ~~emotional disturbance~~ mental illness as defined in subdivision 6 within the previous ten years;

(iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

(v) have 6,000 hours of supervised work experience in the delivery of mental health services to children with ~~emotional disturbances~~ mental illness; hours worked as a mental health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of supervised work experience.

Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager after four years of supervised work experience as a case manager associate. Individuals meeting the criteria in item (v) may qualify as a case manager after three years of supervised experience as a case manager associate.

(k) Case manager associates must meet the following supervision, mentoring, and continuing education requirements;

(1) have 40 hours of preservice training described under paragraph (f), clause (1);

(2) receive at least 40 hours of continuing education in ~~severe emotional disturbance~~ serious mental illness and mental health service annually; and

(3) receive at least five hours of mentoring per week from a case management mentor. A "case management mentor" means a qualified, practicing case manager or case management supervisor who teaches or advises and provides intensive training and clinical supervision to one or more case manager associates. Mentoring may occur while providing direct services to consumers in the office or in the field and may be provided to individuals or groups of case manager associates. At least two mentoring hours per week must be individual and face-to-face.

(l) A case management supervisor must meet the criteria for a mental health professional as specified in subdivision 27.

(m) An immigrant who does not have the qualifications specified in this subdivision may provide case management services to child immigrants with ~~severe emotional disturbance~~ serious mental illness of the same ethnic group as the immigrant if the person:

(1) is currently enrolled in and is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 16. Minnesota Statutes 2024, section 245.4871, subdivision 6, is amended to read:

Subd. 6. **Child with ~~severe emotional disturbance~~ serious mental illness.** For purposes of eligibility for case management and family community support services, "child with ~~severe emotional disturbance~~ serious mental illness" means a child who has ~~an emotional disturbance~~ mental illness and who meets one of the following criteria:

(1) the child has been admitted within the last three years or is at risk of being admitted to inpatient treatment or residential treatment for ~~an emotional disturbance~~ mental illness; or

(2) the child is a Minnesota resident and is receiving inpatient treatment or residential treatment for ~~an emotional disturbance~~ mental illness through the interstate compact; or

(3) the child has one of the following as determined by a mental health professional:

(i) psychosis or a clinical depression; or

(ii) risk of harming self or others as a result of ~~an emotional disturbance~~ mental illness; or

(iii) psychopathological symptoms as a result of being a victim of physical or sexual abuse or of psychic trauma within the past year; or

(4) the child, as a result of ~~an emotional disturbance~~ mental illness, has significantly impaired home, school, or community functioning that has lasted at least one year or that, in the written opinion of a mental health professional, presents substantial risk of lasting at least one year.

Sec. 17. Minnesota Statutes 2024, section 245.4871, subdivision 13, is amended to read:

Subd. 13. **Education and prevention services.** (a) "Education and prevention services" means services designed to:

(1) educate the general public;

(2) increase the understanding and acceptance of problems associated with ~~emotional disturbances~~ children's mental illnesses;

(3) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning; and

(4) refer specific children or their families with mental health needs to mental health services.

(b) The services include distribution to individuals and agencies identified by the county board and the local children's mental health advisory council of information on predictors and symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are available in the county, and how to access the services.

Sec. 18. Minnesota Statutes 2024, section 245.4871, subdivision 15, is amended to read:

Subd. 15. **~~Emotional disturbance~~ Mental illness.** ~~"Emotional disturbance"~~ "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that:

(1) is detailed in a diagnostic codes list published by the commissioner; and

(2) seriously limits a child's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, school, and recreation.

~~"Emotional disturbance"~~ Mental illness is a generic term and is intended to reflect all categories of disorder described in the clinical code list published by the commissioner as "usually first evident in childhood or adolescence."

Sec. 19. Minnesota Statutes 2024, section 245.4871, subdivision 17, is amended to read:

Subd. 17. **Family community support services.** "Family community support services" means services provided under the treatment supervision of a mental health professional and designed to help each child with ~~severe emotional disturbance~~ serious mental illness to function and remain with the child's family in the community. Family community support services do not include acute care hospital inpatient treatment, residential treatment services, or regional treatment center services. Family community support services include:

(1) client outreach to each child with ~~severe emotional disturbance~~ serious mental illness and the child's family;

(2) medication monitoring where necessary;

(3) assistance in developing independent living skills;

(4) assistance in developing parenting skills necessary to address the needs of the child with ~~severe emotional disturbance~~ serious mental illness;

(5) assistance with leisure and recreational activities;

(6) crisis planning, including crisis placement and respite care;

(7) professional home-based family treatment;

(8) foster care with therapeutic supports;

(9) day treatment;

(10) assistance in locating respite care and special needs day care; and

(11) assistance in obtaining potential financial resources, including those benefits listed in section 245.4884, subdivision 5.

Sec. 20. Minnesota Statutes 2024, section 245.4871, subdivision 19, is amended to read:

Subd. 19. **Individual family community support plan.** "Individual family community support plan" means a written plan developed by a case manager in conjunction with the family and the child with ~~severe emotional disturbance~~ serious mental illness on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:

(1) treat the symptoms and dysfunctions determined in the diagnostic assessment;

(2) relieve conditions leading to ~~emotional disturbance~~ mental illness and improve the personal well-being of the child;

(3) improve family functioning;

(4) enhance daily living skills;

(5) improve functioning in education and recreation settings;

(6) improve interpersonal and family relationships;

(7) enhance vocational development; and

(8) assist in obtaining transportation, housing, health services, and employment.

Sec. 21. Minnesota Statutes 2024, section 245.4871, subdivision 21, is amended to read:

Subd. 21. **Individual treatment plan.** (a) "Individual treatment plan" means the formulation of planned services that are responsive to the needs and goals of a client. An individual treatment plan must be completed according to section 245I.10, subdivisions 7 and 8.

(b) A children's residential facility licensed under Minnesota Rules, chapter 2960, is exempt from the requirements of section 245I.10, subdivisions 7 and 8. Instead, the individual treatment plan must:

(1) include a written plan of intervention, treatment, and services for a child with ~~an emotional disturbance~~ mental illness that the service provider develops under the clinical supervision of a mental health professional on the basis of a diagnostic assessment;

(2) be developed in conjunction with the family unless clinically inappropriate; and

(3) identify goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individuals responsible for providing treatment to the child with ~~an emotional disturbance~~ mental illness.

Sec. 22. Minnesota Statutes 2024, section 245.4871, subdivision 22, is amended to read:

Subd. 22. **Legal representative.** "Legal representative" means a guardian, conservator, or guardian ad litem of a child with ~~an emotional disturbance~~ mental illness authorized by the court to make decisions about mental health services for the child.

Sec. 23. Minnesota Statutes 2024, section 245.4871, subdivision 28, is amended to read:

Subd. 28. **Mental health services.** "Mental health services" means at least all of the treatment services and case management activities that are provided to children with ~~emotional disturbances~~ mental illnesses and are described in sections 245.487 to 245.4889.

Sec. 24. Minnesota Statutes 2024, section 245.4871, subdivision 29, is amended to read:

Subd. 29. **Outpatient services.** "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the treatment supervision of a mental health professional to children with ~~emotional disturbances~~ mental illnesses who live outside a hospital. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Sec. 25. Minnesota Statutes 2024, section 245.4871, subdivision 31, is amended to read:

Subd. 31. **Professional home-based family treatment.** (a) "Professional home-based family treatment" means intensive mental health services provided to children because of ~~an emotional disturbance~~ mental illness: (1) who are at risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care; (2) who are in ~~out-of-home placement~~ residential treatment or therapeutic foster care; or (3) who are returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care.

(b) Services are provided to the child and the child's family primarily in the child's home environment. Services may also be provided in the child's school, child care setting, or other community setting appropriate to the child. Services must be provided on an individual family basis, must be child-oriented and family-oriented, and must be designed using information from diagnostic and functional assessments to meet the specific mental health needs of the child and the child's family. Services must be coordinated with other services provided to the child and the child's family.

(c) Examples of services are: (1) individual therapy; (2) family therapy; (3) client outreach; (4) assistance in developing individual living skills; (5) assistance in developing parenting skills necessary to address the needs of the child; (6) assistance with leisure and recreational services; (7) crisis planning, including crisis respite care and arranging for crisis placement; and (8) assistance in locating respite and child care. Services must be coordinated with other services provided to the child and family.

Sec. 26. Minnesota Statutes 2024, section 245.4871, subdivision 32, is amended to read:

Subd. 32. **Residential treatment.** "Residential treatment" means a 24-hour-a-day program under the treatment supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center inpatient unit, that must be licensed as a residential treatment program for children with ~~emotional disturbances~~ mental illnesses under Minnesota Rules, parts 2960.0580 to 2960.0700, or other rules adopted by the commissioner.

Sec. 27. Minnesota Statutes 2024, section 245.4871, subdivision 34, is amended to read:

Subd. 34. **Therapeutic support of foster care.** "Therapeutic support of foster care" means the mental health training and mental health support services and treatment supervision provided by a mental health professional to foster families caring for children with ~~severe emotional disturbance~~ serious mental illnesses to provide a therapeutic family environment and support for the child's improved functioning. Therapeutic support of foster care includes services provided under section 256B.0946.

Sec. 28. Minnesota Statutes 2024, section 245.4873, subdivision 2, is amended to read:

Subd. 2. **State level; coordination.** The Children's Cabinet, under section 4.045, in consultation with a representative of the Minnesota District Judges Association Juvenile Committee, shall:

(1) educate each agency about the policies, procedures, funding, and services for children with ~~emotional disturbances~~ mental illnesses of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with ~~emotional disturbances~~ mental illnesses;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent; and

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children.

Sec. 29. Minnesota Statutes 2024, section 245.4874, subdivision 1, is amended to read:

Subdivision 1. **Duties of county board.** (a) The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4889;

(2) consider the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;

(3) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4889;

(4) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost-effectiveness of their delivery;

(5) assure that mental health services delivered according to sections 245.487 to 245.4889 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(6) provide for case management services to each child with ~~severe emotional disturbance~~ serious mental illness according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility~~, acute care hospital inpatient treatment, or informal admission to a regional treatment center~~;

(8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

(9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871;

(10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age;

(11) assure that culturally competent mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage; and

(12) consistent with section 245.486, arrange for or provide a children's mental health screening for:

(i) a child receiving child protective services;

(ii) a child in ~~out-of-home placement~~ residential treatment or therapeutic foster care;

(iii) a child for whom parental rights have been terminated;

(iv) a child found to be delinquent; or

(v) a child found to have committed a juvenile petty offense for the third or subsequent time.

A children's mental health screening is not required when a screening or diagnostic assessment has been performed within the previous 180 days, or the child is currently under the care of a mental health professional.

(b) When a child is receiving protective services or is in ~~out-of-home placement~~ residential treatment or foster care, the court or county agency must notify a parent or guardian whose parental rights have not been terminated of the potential mental health screening and the option to prevent the screening by notifying the court or county agency in writing.

(c) When a child is found to be delinquent or a child is found to have committed a juvenile petty offense for the third or subsequent time, the court or county agency must obtain written informed consent from the parent or legal guardian before a screening is conducted unless the court, notwithstanding the parent's failure to consent, determines that the screening is in the child's best interest.

(d) The screening shall be conducted with a screening instrument approved by the commissioner of human services according to criteria that are updated and issued annually to ensure that approved screening instruments are valid and useful for child welfare and juvenile justice populations. Screenings shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer or local social services agency staff person who is trained in the use of the screening instrument. Training in the use of the instrument shall include:

(1) training in the administration of the instrument;

(2) the interpretation of its validity given the child's current circumstances;

(3) the state and federal data practices laws and confidentiality standards;

(4) the parental consent requirement; and

(5) providing respect for families and cultural values.

If the screen indicates a need for assessment, the child's family, or if the family lacks mental health insurance, the local social services agency, in consultation with the child's family, shall have conducted a diagnostic assessment, including a functional assessment. The administration of the screening shall safeguard the privacy of children receiving the screening and their families and shall comply with the Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191. Screening results are classified as private data on individuals, as defined by section 13.02, subdivision 12. The county board or Tribal nation may provide the commissioner with access to the screening results for the purposes of program evaluation and improvement.

(e) When the county board refers clients to providers of children's therapeutic services and supports under section 256B.0943, the county board must clearly identify the desired services components not covered under section 256B.0943 and identify the reimbursement source for those requested services, the method of payment, and the payment rate to the provider.

Sec. 30. Minnesota Statutes 2024, section 245.4875, subdivision 5, is amended to read:

Subd. 5. **Local children's advisory council.** (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The following individuals must serve on the local children's mental health advisory council, the children's mental health subcommittee of an existing local mental health advisory council, or be included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with ~~severe emotional disturbance~~ serious mental illness; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with ~~emotional disturbance~~ mental illness in the local area and services needed by families of these children, and shall meet monthly, unless otherwise determined by the council or subcommittee, but not less than quarterly, to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services;

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2); and

(3) provide to the county board a report of unmet mental health needs of children residing in the county.

(c) The county board shall consider the advice of its local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities.

Sec. 31. Minnesota Statutes 2024, section 245.4876, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, screening under section 245.4885, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center services must inform each child with ~~severe emotional disturbance~~ serious mental illness, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided as specified in subdivision 5. If consent is obtained according to subdivision 5, the provider must refer the child by notifying the county employee designated by the county board to coordinate case management activities of the child's name and address and by informing the child's family of whom to contact to request case management. The provider must document compliance with this subdivision in the child's record. The parent or child may directly request case management even if there has been no referral.

Sec. 32. Minnesota Statutes 2024, section 245.4876, subdivision 5, is amended to read:

Subd. 5. **Consent for services or for release of information.** (a) Although sections 245.487 to 245.4889 require each county board, within the limits of available resources, to make the mental health services listed in those sections available to each child residing in the county who needs them, the county board shall not provide any services, either directly or by contract, unless consent to the services is obtained under this subdivision. The case manager assigned to a child with a ~~severe emotional disturbance~~ serious mental illness shall not disclose to any person other than the case manager's immediate supervisor and the mental health professional providing clinical supervision of the case manager information on the child, the child's family, or services provided to the child or the child's family without informed written consent unless required to do so by statute or under the Minnesota Government Data Practices Act. Informed written consent must comply with section 13.05, subdivision 4, paragraph (d), and specify the purpose and use for which the case manager may disclose the information.

(b) The consent or authorization must be obtained from the child's parent unless: (1) the parental rights are terminated; or (2) consent is otherwise provided under sections 144.341 to 144.347; 253B.04, subdivision 1; 260C.148; 260C.151; and 260C.201, subdivision 1, the terms of appointment of a court-appointed guardian or conservator, or federal regulations governing substance use disorder services.

Sec. 33. Minnesota Statutes 2024, section 245.4877, is amended to read:

245.4877 EDUCATION AND PREVENTION SERVICES.

Education and prevention services must be available to all children residing in the county. Education and prevention services must be designed to:

(1) convey information regarding ~~emotional disturbances~~ mental illness, mental health needs, and treatment resources to the general public;

(2) at least annually, distribute to individuals and agencies identified by the county board and the local children's mental health advisory council information on predictors and symptoms of ~~emotional disturbances~~ mental illness, where mental health services are available in the county, and how to access the services;

(3) increase understanding and acceptance of problems associated with ~~emotional disturbances~~ mental illness;

(4) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning;

(5) prevent development or deepening of ~~emotional disturbances~~ mental illness; and

(6) refer each child with ~~emotional disturbance~~ mental illness or the child's family with additional mental health needs to appropriate mental health services.

Sec. 34. Minnesota Statutes 2024, section 245.488, subdivision 1, is amended to read:

Subdivision 1. **Availability of outpatient services.** (a) County boards must provide or contract for enough outpatient services within the county to meet the needs of each child with ~~emotional disturbance~~ mental illness residing in the county and the child's family. Services may be provided directly by the county through county-operated mental health clinics meeting the standards of chapter 245I; by contract with privately operated mental health clinics meeting the standards of chapter 245I; by contract with hospital mental health outpatient programs certified by the Joint Commission on Accreditation of Hospital Organizations; or by contract with a mental health professional. A child or a child's parent may be required to pay a fee based in accordance with section 245.481. Outpatient services include:

(1) conducting diagnostic assessments;

(2) conducting psychological testing;

(3) developing or modifying individual treatment plans;

(4) making referrals and recommending placements as appropriate;

(5) treating the child's mental health needs through therapy; and

(6) prescribing and managing medication and evaluating the effectiveness of prescribed medication.

(b) County boards may request a waiver allowing outpatient services to be provided in a nearby trade area if it is determined that the child requires necessary and appropriate services that are only available outside the county.

(c) Outpatient services offered by the county board to prevent placement must be at the level of treatment appropriate to the child's diagnostic assessment.

Sec. 35. Minnesota Statutes 2024, section 245.488, subdivision 3, is amended to read:

Subd. 3. **Mental health crisis services.** County boards must provide or contract for mental health crisis services within the county to meet the needs of children with ~~emotional disturbance~~ mental illness residing in the county who are determined, through an assessment by a mental health professional, to be experiencing a mental health crisis or mental health emergency. The mental health crisis services provided must be medically necessary, as defined in section 62Q.53, subdivision 2, and necessary for the safety of the child or others regardless of the setting.

Sec. 36. Minnesota Statutes 2024, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. **Availability of case management services.** (a) The county board shall provide case management services for each child with ~~severe emotional disturbance~~ serious mental illness who is a resident of the county and the child's family who request or consent to the services. Case management services must be offered to a child with a serious ~~emotional disturbance~~ mental illness who is over the age of 18 consistent with section 245.4875, subdivision 8, or the child's legal representative, provided the child's service needs can be met within the children's service system. Before discontinuing case management services under this subdivision for children between the ages of 17 and 21, a transition plan must be developed. The transition plan must be developed with the child and, with the consent of a child age 18 or over, the child's parent, guardian, or legal representative. The transition plan should include plans for health insurance, housing, education, employment, and treatment. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Except as permitted by law and the commissioner under demonstration projects, case management services provided to children with ~~severe emotional disturbance~~ serious mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

(c) Case management services are eligible for reimbursement under the medical assistance program. Costs of mentoring, supervision, and continuing education may be included in the reimbursement rate methodology used for case management services under the medical assistance program.

Sec. 37. Minnesota Statutes 2024, section 245.4881, subdivision 4, is amended to read:

Subd. 4. **Individual family community support plan.** (a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan at least every 180 calendar days after it is developed, unless the case manager has received a written request from the child's family or an advocate for the child for a review of the plan every 90 days after it is developed. To the extent appropriate, the child with ~~severe emotional disturbance~~ serious mental illness, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan. Notwithstanding the lack of an individual family community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in section 245.4884, subdivision 1.

(b) The child's individual family community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 38. Minnesota Statutes 2024, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. **Availability of residential treatment services.** County boards must provide or contract for enough residential treatment services to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be reviewed every 90 days. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) help the child improve family living and social interaction skills;

(2) help the child gain the necessary skills to return to the community;

(3) stabilize crisis admissions; and

(4) work with families throughout the placement to improve the ability of the families to care for children with ~~severe emotional disturbance~~ serious mental illness in the home.

Sec. 39. Minnesota Statutes 2024, section 245.4882, subdivision 5, is amended to read:

Subd. 5. **Specialized residential treatment services.** The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with ~~emotional disturbance~~ mental illness who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings.

Sec. 40. Minnesota Statutes 2024, section 245.4884, is amended to read:

245.4884 FAMILY COMMUNITY SUPPORT SERVICES.

Subdivision 1. **Availability of family community support services.** By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with ~~severe emotional disturbance~~ serious mental illness to:

(1) manage basic activities of daily living;

(2) function appropriately in home, school, and community settings;

(3) participate in leisure time or community youth activities;

(4) set goals and plans;

(5) reside with the family in the community;

(6) participate in after-school and summer activities;

(7) make a smooth transition among mental health and education services provided to children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incorporated in rule and in guidelines for grants for family community support services.

Subd. 2. **Day treatment services provided.** (a) Day treatment services must be part of the family community support services available to each child with ~~severe emotional disturbance~~ serious mental illness residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;

(4) coordinate with or be offered in conjunction with the child's education program;

(5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and

(6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and

(2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. **Professional home-based family treatment provided.** (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care due to the child's ~~emotional disturbance~~ mental illness or who is returning to the home from ~~out-of-home placement~~ residential treatment or therapeutic foster care. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of or who is returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care and the child's family to:

(1) improve overall family functioning in all areas of life;

(2) treat the child's symptoms of ~~emotional disturbance~~ mental illness that contribute to a risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care for the identified child with ~~severe emotional disturbance~~ serious mental illness and other siblings or successfully reunify and reintegrate into the family a child returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care due to ~~emotional disturbance~~ mental illness.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Case loads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. The treatment team must develop an individual treatment plan that identifies the specific treatment objectives for both the child and the family.

Subd. 4. **Therapeutic support of foster care.** By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with ~~severe emotional disturbance~~ serious mental illness must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 5. **Benefits assistance.** The county board must offer help to a child with ~~severe emotional disturbance~~ serious mental illness and the child's family in applying for federal benefits, including Supplemental Security Income, medical assistance, and Medicare.

Sec. 41. Minnesota Statutes 2024, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the case of an emergency, all children referred for treatment of ~~severe emotional disturbance~~ serious mental illness in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if county funds are used to pay for the child's services. An emergency includes when a child is in need of and has been referred for crisis stabilization services under section 245.4882, subdivision 6. A child who has been referred to residential treatment for crisis stabilization services in a residential treatment center is not required to undergo an assessment under this section.

(b) The county board shall determine the appropriate level of care for a child when county-controlled funds are used to pay for the child's residential treatment under this chapter, including residential treatment provided in a qualified residential treatment program as defined in section 260C.007, subdivision 26d. When a county board does not have responsibility for a child's placement and the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care for the child. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care for the child. When more than one entity bears responsibility for a child's coverage, the entities shall coordinate level of care determination activities for the child to the extent possible.

(c) The child's level of care determination shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless

in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 42. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with ~~emotional disturbances~~ mental illness as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with ~~emotional disturbances~~ mental illness or ~~severe emotional disturbances~~ serious mental illness who are at risk of residential treatment or hospitalization~~,~~; who are already in ~~out-of-home placement~~ residential treatment, therapeutic foster care, or in family foster settings as defined in chapter 142B and at risk of change in ~~out-of-home placement~~ foster care or placement in a residential facility or other higher level of care~~,~~; who have utilized crisis services or emergency room services~~,~~; or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; and

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 43. Minnesota Statutes 2024, section 245.4907, subdivision 2, is amended to read:

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that employs a mental health certified peer family specialist qualified under section 245I.04, subdivision 12, and that provides services to families who have a child:

(1) with ~~an emotional disturbance~~ mental illness or ~~severe emotional disturbance~~ serious mental illness under chapter 245;

(2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

(3) admitted to a residential treatment facility under section 245.4882;

(4) receiving children's intensive behavioral health services under section 256B.0946;

(5) receiving day treatment or children's therapeutic services and supports under section 256B.0943; or

(6) receiving crisis response services under section 256B.0624.

Sec. 44. Minnesota Statutes 2024, section 245.491, subdivision 2, is amended to read:

Subd. 2. **Purpose.** The legislature finds that children with mental illnesses or emotional or behavioral disturbances or who are at risk of suffering such disturbances often require services from multiple service systems including mental health, social services, education, corrections, juvenile court, health, and employment and economic development. In order to better meet the needs of these children, it is the intent of the legislature to establish an integrated children's mental health service system that:

(1) allows local service decision makers to draw funding from a single local source so that funds follow clients and eliminates the need to match clients, funds, services, and provider eligibilities;

(2) creates a local pool of state, local, and private funds to procure a greater medical assistance federal financial participation;

(3) improves the efficiency of use of existing resources;

(4) minimizes or eliminates the incentives for cost and risk shifting; and

(5) increases the incentives for earlier identification and intervention.

The children's mental health integrated fund established under sections 245.491 to 245.495 must be used to develop and support this integrated mental health service system. In developing this integrated service system, it is not the intent of the legislature to limit any rights available to children and their families through existing federal and state laws.

Sec. 45. Minnesota Statutes 2024, section 245.492, subdivision 3, is amended to read:

Subd. 3. **Children with emotional or behavioral disturbances.** "Children with emotional or behavioral disturbances" includes children with ~~emotional disturbances~~ mental illnesses as defined

in section 245.4871, subdivision 15, and children with emotional or behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

Sec. 46. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental Health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the Departments of Human Services, Health, Education, State Planning, and Corrections;

(2) a designee of the Direct Care and Treatment executive board;

(3) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(4) at least one representative of an advocacy group for children with ~~emotional disturbances~~ mental illnesses;

(5) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(6) parents of children who have ~~emotional disturbances~~ mental illnesses;

(7) a present or former consumer of adolescent mental health services;

(8) educators currently working with ~~emotionally disturbed~~ children with mental illnesses;

(9) people knowledgeable about the needs of ~~emotionally disturbed~~ children with mental illnesses of minority races and cultures;

(10) people experienced in working with ~~emotionally disturbed~~ children with mental illnesses who have committed status offenses;

(11) members of the advisory council;

(12) one person from the local corrections department and one representative of the Minnesota District Judges Association Juvenile Committee; and

(13) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 47. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

Subd. 3. **Compensation provisions.** (a) If the commissioner of human services is unable to obtain insurance through ordinary methods for coverage of foster home providers, the appropriation shall be returned to the general fund and the state shall pay claims subject to the following limitations.

~~(a)~~ (b) Compensation shall be provided only for injuries, damage, or actions set forth in subdivision 1.

~~(b)~~ (c) Compensation shall be subject to the conditions and exclusions set forth in subdivision 2.

~~(c)~~ (d) The state shall provide compensation for bodily injury, property damage, or personal injury resulting from the foster home providers activities as a foster home provider while the foster child or adult is in the care, custody, and control of the foster home provider in an amount not to exceed $250,000 for each occurrence.

~~(d)~~ (e) The state shall provide compensation for damage or destruction of property caused or sustained by a foster child or adult in an amount not to exceed $250 for each occurrence.

~~(e)~~ (f) The compensation in paragraphs ~~(c) and~~ (d) and (e) is the total obligation for all damages because of each occurrence regardless of the number of claims made in connection with the same occurrence, but compensation applies separately to each foster home. The state shall have no other responsibility to provide compensation for any injury or loss caused or sustained by any foster home provider or foster child or foster adult.

(g) This coverage is extended as a benefit to foster home providers to encourage care of persons who need ~~out-of-home~~ the providers' care. Nothing in this section shall be construed to mean that foster home providers are agents or employees of the state nor does the state accept any responsibility for the selection, monitoring, supervision, or control of foster home providers which is exclusively the responsibility of the counties which shall regulate foster home providers in the manner set forth in the rules of the commissioner of human services.

Sec. 48. Minnesota Statutes 2024, section 245.826, is amended to read:

245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN FACILITIES SERVING ~~EMOTIONALLY DISTURBED~~ CHILDREN WITH MENTAL ILLNESSES.

When amending rules governing facilities serving ~~emotionally disturbed~~ children with mental illnesses that are licensed under section 245A.09 and Minnesota Rules, parts 2960.0510 to 2960.0530 and 2960.0580 to 2960.0700, the commissioner of human services shall include provisions governing the use of restrictive techniques and procedures. No provision of these rules may encourage or require the use of restrictive techniques and procedures. The rules must prohibit: (1) the application of certain restrictive techniques or procedures in facilities, except as authorized in the child's case plan and monitored by the county caseworker responsible for the child; (2) the use of restrictive techniques or procedures that restrict the clients' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of corporal punishment. The rule may specify other restrictive

techniques and procedures and the specific conditions under which permitted techniques and procedures are to be carried out.

Sec. 49. 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, 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, or substance use disorder~~, or emotional disturbance~~.

Sec. 50. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home as defined in section 254B.01, subdivision 11; peer recovery support services provided by a recovery community organization as defined in section 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~.

Sec. 51. Minnesota Statutes 2024, section 245.92, is amended to read:

245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS; FUNCTION.

The ombudsman for persons receiving services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ shall promote the highest attainable standards of treatment, competence, efficiency, and justice. The ombudsman may gather information and data about decisions, acts, and other matters of an agency, facility, or program, and shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman is appointed by the governor, serves in the unclassified service, and may be removed only for just cause. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.

Sec. 52. Minnesota Statutes 2024, section 245.94, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman is a health oversight agency as defined in Code of Federal Regulations, title 45, section 164.501. The ombudsman may access patient records according to Code of Federal Regulations, title 42, section 2.53. For purposes of this paragraph, "records" has the meaning given in Code of Federal Regulations, title 42, section 2.53(a)(1)(i).

(c) The ombudsman may mediate or advocate on behalf of a client.

(d) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and welfare of clients.

(e) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of one or more clients who may not be capable of requesting assistance have been adversely affected, the ombudsman may gather information and data about and analyze, on behalf of the client, the actions of an agency, facility, or program.

(f) The ombudsman may gather, on behalf of one or more clients, records of an agency, facility, or program, or records related to clinical drug trials from the University of Minnesota Department of Psychiatry, if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and the client is capable of providing consent, the ombudsman shall first obtain the client's consent. The ombudsman is not required to obtain consent for access to private data on clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program. The ombudsman may also take photographic or videographic evidence while reviewing the actions of an agency, facility, or program, with the consent of the client. The ombudsman is not required to obtain consent for access to private data on decedents who were receiving services for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~. All data collected, created, received, or maintained by the ombudsman are governed by chapter 13 and other applicable law.

(g) Notwithstanding any law to the contrary, the ombudsman may subpoena a person to appear, give testimony, or produce documents or other evidence that the ombudsman considers relevant to a matter under inquiry. The ombudsman may petition the appropriate court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part of an investigation possesses the same privileges that a witness possesses in the courts or under the law of this state. Data obtained from a person under this paragraph are private data as defined in section 13.02, subdivision 12.

(h) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.

(i) The ombudsman may attend Direct Care and Treatment Review Board and Special Review Board proceedings; proceedings regarding the transfer of clients, as defined in section 246.50, subdivision 4, between institutions operated by the Direct Care and Treatment executive board; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program.

(j) The ombudsman shall gather data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding services provided to clients with developmental disabilities and individuals served by the Minnesota Sex Offender Program.

(k) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.

(l) The Office of Ombudsman shall provide the services of the Civil Commitment Training and Resource Center.

(m) The ombudsman shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial and ensure that all protections for human subjects required by federal law and the Institutional Review Board are provided.

(n) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Sec. 53. Minnesota Statutes 2024, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) programs licensed by the commissioner of corrections;

(10) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(11) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(12) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(13) residential programs for persons with mental illness, that are located in hospitals;

(14) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(15) mental health outpatient services for adults with mental illness or children with ~~emotional disturbance~~ mental illness;

(16) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(17) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(18) assisted living facilities licensed by the commissioner of health under chapter 144G;

(19) substance use disorder treatment activities of licensed professionals in private practice as defined in section 245G.01, subdivision 17;

(20) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;

(21) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services;

(22) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or

(23) programs licensed by the commissioner of children, youth, and families in chapter 142B.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

Sec. 54. Minnesota Statutes 2024, section 245A.26, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Clinical trainee" means a staff person who is qualified under section 245I.04, subdivision 6.

(c) "License holder" means an individual, organization, or government entity that was issued a license by the commissioner of human services under this chapter for residential mental health treatment for children with ~~emotional disturbance~~ mental illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700, or shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510 to 2960.0530.

(d) "Mental health professional" means an individual who is qualified under section 245I.04, subdivision 2.

Sec. 55. Minnesota Statutes 2024, section 245A.26, subdivision 2, is amended to read:

Subd. 2. **Scope and applicability.** (a) This section establishes additional licensing requirements for a children's residential facility to provide children's residential crisis stabilization services to a client who is experiencing a mental health crisis and is in need of residential treatment services.

(b) A children's residential facility may provide residential crisis stabilization services only if the facility is licensed to provide:

(1) residential mental health treatment for children with ~~emotional disturbance~~ mental illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700; or

(2) shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510 to 2960.0530.

(c) If a client receives residential crisis stabilization services for 35 days or fewer in a facility licensed according to paragraph (b), clause (1), the facility is not required to complete a diagnostic assessment or treatment plan under Minnesota Rules, part 2960.0180, subpart 2, and part 2960.0600.

(d) If a client receives residential crisis stabilization services for 35 days or fewer in a facility licensed according to paragraph (b), clause (2), the facility is not required to develop a plan for meeting the client's immediate needs under Minnesota Rules, part 2960.0520, subpart 3.

Sec. 56. Minnesota Statutes 2024, section 246C.12, subdivision 4, is amended to read:

Subd. 4. **Staff safety training.** The executive board shall require all staff in mental health and support units at regional treatment centers who have contact with ~~persons~~ children or adults with mental illness ~~or severe emotional disturbance~~ to be appropriately trained in violence reduction and violence prevention and shall establish criteria for such training. Training programs shall be developed with input from consumer advocacy organizations and shall employ violence prevention techniques as preferable to physical interaction.

Sec. 57. Minnesota Statutes 2024, section 252.27, subdivision 1, is amended to read:

Subdivision 1. **County of financial responsibility.** Whenever any child who has a developmental disability, or a physical disability or ~~emotional disturbance~~ mental illness is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Sec. 58. Minnesota Statutes 2024, section 256B.02, subdivision 11, is amended to read:

Subd. 11. **Related condition.** "Related condition" means a condition:

(1) that is found to be closely related to a developmental disability, including but not limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi syndrome; and

(2) that meets all of the following criteria:

(i) is severe and chronic;

(ii) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with developmental disabilities;

(iii) requires treatment or services similar to those required for persons with developmental disabilities;

(iv) is manifested before the person reaches 22 years of age;

(v) is likely to continue indefinitely;

(vi) results in substantial functional limitations in three or more of the following areas of major life activity:

(A) self-care;

(B) understanding and use of language;

(C) learning;

(D) mobility;

(E) self-direction; or

(F) capacity for independent living; and

(vii) is not attributable to mental illness as defined in section 245.462, subdivision 20, or ~~an emotional disturbance as defined in section~~ 245.4871, subdivision 15. For purposes of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.

Sec. 59. Minnesota Statutes 2024, section 256B.055, subdivision 12, is amended to read:

Subd. 12. **Children with disabilities.** (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and the child requires a level of care provided in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, for whom home care is appropriate, provided that the cost to medical assistance under this section is not more than the amount that medical assistance would pay for if the child resides in an institution. After the child is determined to be eligible under this section, the commissioner shall review the child's disability under United States Code, title 42, section 1382c(a) and level of care defined under this section no more often than annually and may elect, based on the recommendation of health care professionals under contract with the state medical review team, to extend the review of disability and level of care up to a maximum of four years. The commissioner's decision on the frequency of continuing review of disability and level of care is not subject to administrative appeal under section 256.045. The county agency shall send a notice of disability review to the enrollee six months prior to the date the recertification of disability is due. Nothing in this subdivision shall be construed as affecting other redeterminations of medical assistance eligibility under this chapter and annual cost-effective reviews under this section.

(b) For purposes of this subdivision, "hospital" means an institution as defined in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious ~~emotional disturbance~~ mental illness requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "nursing facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911, adjusted to address age-appropriate standards for children age 18 and under.

(d) For purposes of this subdivision, "intermediate care facility for persons with developmental disabilities" or "ICF/DD" means a program licensed to provide services to persons with developmental

disabilities under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with developmental disabilities who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/DD if the commissioner finds that the child has a developmental disability in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with developmental disabilities, and there is a reasonable indication that the child will need ICF/DD services.

(e) For purposes of this subdivision, a person requires the level of care provided in a nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental health treatment because of specific symptoms or functional impairments associated with a serious mental illness or disorder diagnosis, which meet severity criteria for mental health established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by (1) the parent or guardian, (2) the child's physician or physicians, advanced practice registered nurse or advanced practice registered nurses, or physician assistant or physician assistants, and (3) other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/DD, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/DD;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

Sec. 60. Minnesota Statutes 2024, section 256B.0616, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified family peer specialists services, as established in subdivision 2, subject to federal approval, if provided to recipients who have ~~an emotional disturbance~~ mental illness or ~~severe emotional disturbance~~ serious mental illness under chapter 245, and are provided by a mental health certified family peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 12. A family peer specialist cannot provide services to the peer specialist's family.

Sec. 61. Minnesota Statutes 2024, section 256B.0757, subdivision 2, is amended to read:

Subd. 2. **Eligible individual.** (a) The commissioner may elect to develop health home models in accordance with United States Code, title 42, section 1396w-4.

(b) An individual is eligible for health home services under this section if the individual is eligible for medical assistance under this chapter and has a condition that meets the definition of mental illness as described in section 245.462, subdivision 20, paragraph (a), or ~~emotional disturbance as defined in section~~ 245.4871, subdivision 15, clause (2). The commissioner shall establish criteria for determining continued eligibility.

Sec. 62. Minnesota Statutes 2024, section 256B.0943, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed ~~emotional disturbance, as defined in section 245.4871, subdivision 15, or a diagnosed~~ mental illness, as defined in section 245.462, subdivision 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

~~(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

~~(j)~~ (i) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

~~(k)~~ (j) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan and individual behavior plan. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

~~(l)~~ (k) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

~~(m)~~ (l) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

~~(n)~~ (m) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

~~(o)~~ (n) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

~~(p)~~ (o) "Mental illness~~,~~" ~~for persons at least age 18 but under age 21,~~ has the meaning given in section 245.462, subdivision 20, paragraph (a), for persons at least 18 years of age but under 21 years of age, and has the meaning given in section 245.4871, subdivision 15, for children under 18 years of age.

~~(q)~~ (p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

~~(r)~~ (q) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

~~(s)~~ (r) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

~~(t)~~ (s) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

~~(u)~~ (t) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 63. Minnesota Statutes 2024, section 256B.0943, subdivision 3, is amended to read:

Subd. 3. **Determination of client eligibility.** (a) A client's eligibility to receive children's therapeutic services and supports under this section shall be determined based on a standard diagnostic assessment by a mental health professional or a clinical trainee that is performed within one year before the initial start of service and updated as required under section 245I.10, subdivision 2. The standard diagnostic assessment must:

(1) determine whether a child under age 18 has a diagnosis of ~~emotional disturbance~~ mental illness or, if the person is between the ages of 18 and 21, whether the person has a mental illness;

(2) document children's therapeutic services and supports as medically necessary to address an identified disability, functional impairment, and the individual client's needs and goals; and

(3) be used in the development of the individual treatment plan.

(b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to five days of day treatment under this section based on a hospital's medical history and presentation examination of the client.

(c) Children's therapeutic services and supports include development and rehabilitative services that support a child's developmental treatment needs.

Sec. 64. Minnesota Statutes 2024, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) the provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan; and

(3) a day treatment program is provided to a group of clients by a team under the treatment supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center under section 245.62; or (iii) an entity that is certified under subdivision 4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The remainder of the structured treatment program may include patient and/or family or group psychotherapy, and individual or group skills training, if included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services. When a day treatment group that meets the minimum group size requirement temporarily falls below the minimum group size because of a member's temporary absence, medical assistance covers a group session conducted for the group members in attendance. A day treatment program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program.

(b) To be eligible for medical assistance payment, a provider entity must deliver the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) psychotherapy to address the child's underlying mental health disorder must be documented as part of the child's ongoing treatment. A provider must deliver or arrange for medically necessary psychotherapy unless the child's parent or caregiver chooses not to receive it or the provider determines that psychotherapy is no longer medically necessary. When a provider determines that psychotherapy is no longer medically necessary, the provider must update required documentation, including but not limited to the individual treatment plan, the child's medical record, or other authorizations, to include the determination. When a provider determines that a child needs psychotherapy but psychotherapy cannot be delivered due to a shortage of licensed mental health professionals in the child's community, the provider must document the lack of access in the child's medical record;

(2) individual, family, or group skills training is subject to the following requirements:

(i) a mental health professional, clinical trainee, or mental health practitioner shall provide skills training;

(ii) skills training delivered to a child or the child's family must be targeted to the specific deficits or maladaptations of the child's mental health disorder and must be prescribed in the child's individual treatment plan;

(iii) group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from interaction in a group setting, which must be staffed as follows:

(A) one mental health professional, clinical trainee, or mental health practitioner must work with a group of three to eight clients; or

(B) any combination of two mental health professionals, clinical trainees, or mental health practitioners must work with a group of nine to 12 clients;

(iv) a mental health professional, clinical trainee, or mental health practitioner must have taught the psychosocial skill before a mental health behavioral aide may practice that skill with the client; and

(v) for group skills training, when a skills group that meets the minimum group size requirement temporarily falls below the minimum group size because of a group member's temporary absence, the provider may conduct the session for the group members in attendance;

(3) crisis planning to a child and family must include development of a written plan that anticipates the particular factors specific to the child that may precipitate a psychiatric crisis for the child in the near future. The written plan must document actions that the family should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for direct intervention and support services to the child and the child's family. Crisis planning must include preparing resources designed to address abrupt or substantial changes in the functioning of the child or the child's family when sudden change in behavior or a loss of usual coping mechanisms is observed, or the child begins to present a danger to self or others;

(4) mental health behavioral aide services must be medically necessary treatment services, identified in the child's individual treatment plan.

To be eligible for medical assistance payment, mental health behavioral aide services must be delivered to a child who has been diagnosed with ~~an emotional disturbance or~~ a mental illness, as provided in subdivision 1, paragraph (a). The mental health behavioral aide must document the delivery of services in written progress notes. Progress notes must reflect implementation of the treatment strategies, as performed by the mental health behavioral aide and the child's responses to the treatment strategies; and

(5) mental health service plan development must be performed in consultation with the child's family and, when appropriate, with other key participants in the child's life by the child's treating mental health professional or clinical trainee or by a mental health practitioner and approved by the treating mental health professional. Treatment plan drafting consists of development, review, and revision by face-to-face or electronic communication. The provider must document events, including the time spent with the family and other key participants in the child's life to approve the individual treatment plan. Medical assistance covers service plan development before completion of the child's individual treatment plan. Service plan development is covered only if a treatment plan is completed

for the child. If upon review it is determined that a treatment plan was not completed for the child, the commissioner shall recover the payment for the service plan development.

Sec. 65. Minnesota Statutes 2024, section 256B.0943, subdivision 12, is amended to read:

Subd. 12. **Excluded services.** The following services are not eligible for medical assistance payment as children's therapeutic services and supports:

(1) service components of children's therapeutic services and supports simultaneously provided by more than one provider entity unless prior authorization is obtained;

(2) treatment by multiple providers within the same agency at the same clock time, unless one service is delivered to the child and the other service is delivered to the child's family or treatment team without the child present;

(3) children's therapeutic services and supports provided in violation of medical assistance policy in Minnesota Rules, part 9505.0220;

(4) mental health behavioral aide services provided by a personal care assistant who is not qualified as a mental health behavioral aide and employed by a certified children's therapeutic services and supports provider entity;

(5) service components of CTSS that are the responsibility of a residential or program license holder, including foster care providers under the terms of a service agreement or administrative rules governing licensure; and

(6) adjunctive activities that may be offered by a provider entity but are not otherwise covered by medical assistance, including:

(i) a service that is primarily recreation oriented or that is provided in a setting that is not medically supervised. This includes sports activities, exercise groups, activities such as craft hours, leisure time, social hours, meal or snack time, trips to community activities, and tours;

(ii) a social or educational service that does not have or cannot reasonably be expected to have a therapeutic outcome related to the client's ~~emotional disturbance~~ mental illness;

(iii) prevention or education programs provided to the community; and

(iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

Sec. 66. Minnesota Statutes 2024, section 256B.0943, subdivision 13, is amended to read:

Subd. 13. **Exception to excluded services.** Notwithstanding subdivision 12, up to 15 hours of children's therapeutic services and supports provided within a six-month period to a child with ~~severe emotional disturbance~~ serious mental illness who is residing in a hospital; a residential treatment facility licensed under Minnesota Rules, parts 2960.0580 to 2960.0690; a psychiatric residential treatment facility under section 256B.0625, subdivision 45a; a regional treatment center; or other institutional group setting or who is participating in a program of partial hospitalization are eligible for medical assistance payment if part of the discharge plan.

Sec. 67. Minnesota Statutes 2024, section 256B.0945, subdivision 1, is amended to read:

Subdivision 1. **Residential services; provider qualifications.** (a) Counties must arrange to provide residential services for children with ~~severe emotional disturbance~~ serious mental illness according to sections 245.4882, 245.4885, and this section.

(b) Services must be provided by a facility that is licensed according to section 245.4882 and administrative rules promulgated thereunder, and under contract with the county.

(c) Eligible service costs may be claimed for a facility that is located in a state that borders Minnesota if:

(1) the facility is the closest facility to the child's home, providing the appropriate level of care; and

(2) the commissioner of human services has completed an inspection of the out-of-state program according to the interagency agreement with the commissioner of corrections under section 260B.198, subdivision 11, paragraph (b), and the program has been certified by the commissioner of corrections under section 260B.198, subdivision 11, paragraph (a), to substantially meet the standards applicable to children's residential mental health treatment programs under Minnesota Rules, chapter 2960. Nothing in this section requires the commissioner of human services to enforce the background study requirements under chapter 245C or the requirements related to prevention and investigation of alleged maltreatment under section 626.557 or chapter 260E. Complaints received by the commissioner of human services must be referred to the out-of-state licensing authority for possible follow-up.

(d) Notwithstanding paragraph (b), eligible service costs may be claimed for an out-of-state inpatient treatment facility if:

(1) the facility specializes in providing mental health services to children who are deaf, deafblind, or hard-of-hearing and who use American Sign Language as their first language;

(2) the facility is licensed by the state in which it is located; and

(3) the state in which the facility is located is a member state of the Interstate Compact on Mental Health.

Sec. 68. Minnesota Statutes 2024, section 256B.0946, subdivision 6, is amended to read:

Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this section and are not eligible for medical assistance payment as components of children's intensive behavioral health services, but may be billed separately:

(1) inpatient psychiatric hospital treatment;

(2) mental health targeted case management;

(3) partial hospitalization;

(4) medication management;

(5) children's mental health day treatment services;

(6) crisis response services under section 256B.0624;

(7) transportation; and

(8) mental health certified family peer specialist services under section 256B.0616.

(b) Children receiving intensive behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive behavioral health services:

(1) psychotherapy and skills training components of children's therapeutic services and supports under section 256B.0943;

(2) mental health behavioral aide services as defined in section 256B.0943, subdivision 1, paragraph ~~(l)~~ (j);

(3) home and community-based waiver services;

(4) mental health residential treatment; and

(5) medical assistance room and board rate, as defined in section 256B.056, subdivision 5d.

Sec. 69. Minnesota Statutes 2024, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities that are covered by a single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph ~~(u)~~ (r);

(3) crisis planning as defined in section 245.4871, subdivision 9a;

(4) medication management provided by a physician, an advanced practice registered nurse with certification in psychiatric and mental health care, or a physician assistant;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0624;

(11) transition services;

(12) co-occurring substance use disorder treatment as defined in section 245I.02, subdivision 11; and

(13) housing access support that assists clients to find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(b) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity: client access to crisis intervention services, as defined in section 256B.0624, and available 24 hours per day and seven days per week.

Sec. 70. Minnesota Statutes 2024, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly persons and persons with a disability.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans that are offered by a demonstration provider or by an entity that is directly or indirectly wholly owned or controlled by a demonstration provider to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. All enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby granted to the commissioner of health with respect to Medicare-approved special needs plans with which the commissioner contracts to provide Medicaid services under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with

managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly persons with a disability, or persons with a disability only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious ~~emotional disturbance~~ mental illness in children, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious ~~emotional disturbance,~~ mental illness in children without approval of the county board of the county in which the demonstration is being implemented.

(b) MS 2009 Supplement [Expired, 2003 c 47 s 4; 2007 c 147 art 7 s 60]

(c) Before implementation of a demonstration project for persons with a disability, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community access for disability inclusion or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods, the commissioner must consider the methods used to determine county allocations for home and community-based

program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract year 2010 for services provided under the community access for disability inclusion waiver at the same level as for contract year 2009. The commissioner may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. Effective January 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall cease. The commissioner may reopen the program provided all applicable conditions of this section are met. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans to reopen MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance prior to implementation.

(g) Notwithstanding section 256B.0621, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 71. Minnesota Statutes 2024, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and have been diagnosed as having:

(1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

(2) ~~severe emotional disturbance~~ serious mental illness as defined in section 245.4871, subdivision 6; or

(3) developmental disability, or being a person with a developmental disability as defined in section 252A.02, or a related condition as defined in section 256B.02, subdivision 11.

Other individuals may be included at the option of the county authority based on agreement with the commissioner.

(c) Eligible individuals include individuals in excluded time status, as defined in chapter 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time status as long as they live in the demonstration site and shall be eligible for 90 days after placement outside the demonstration site if they move to excluded time status in a county within Minnesota other than their county of financial responsibility.

(d) A person who is a sexual psychopathic personality as defined in section 253D.02, subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision 16, is excluded from enrollment in the demonstration project.

Sec. 72. Minnesota Statutes 2024, section 260B.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to~~,~~ or as part of~~,~~ a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

(i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or

(ii) elect not to screen a given case, and notify the court of that decision within three working days.

(c) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

Sec. 73. Minnesota Statutes 2024, section 260C.007, subdivision 16, is amended to read:

Subd. 16. **~~Emotionally disturbed~~ Mental illness.** "~~Emotionally disturbed~~ Mental illness" means ~~emotional disturbance~~ mental illness as described in section 245.4871, subdivision 15.

Sec. 74. Minnesota Statutes 2024, section 260C.007, subdivision 26d, is amended to read:

Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment program" means a children's residential treatment program licensed under chapter 245A or licensed or approved by a tribe that is approved to receive foster care maintenance payments under section 142A.418 that:

(1) has a trauma-informed treatment model designed to address the needs of children with serious emotional or behavioral disorders or disturbances or mental illnesses;

(2) has registered or licensed nursing staff and other licensed clinical staff who:

(i) provide care within the scope of their practice; and

(ii) are available 24 hours per day and seven days per week;

(3) is accredited by any of the following independent, nonprofit organizations: the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation (COA), or any other nonprofit accrediting organization approved by the United States Department of Health and Human Services;

(4) if it is in the child's best interests, facilitates participation of the child's family members in the child's treatment programming consistent with the child's out-of-home placement plan under sections 260C.212, subdivision 1, and 260C.708;

(5) facilitates outreach to family members of the child, including siblings;

(6) documents how the facility facilitates outreach to the child's parents and relatives, as well as documents the child's parents' and other relatives' contact information;

(7) documents how the facility includes family members in the child's treatment process, including after the child's discharge, and how the facility maintains the child's sibling connections; and

(8) provides the child and child's family with discharge planning and family-based aftercare support for at least six months after the child's discharge. Aftercare support may include clinical care consultation under section 256B.0671, subdivision 7, and mental health certified family peer specialist services under section 256B.0616.

Sec. 75. Minnesota Statutes 2024, section 260C.007, subdivision 27b, is amended to read:

Subd. 27b. **Residential treatment facility.** "Residential treatment facility" means a 24-hour-a-day program that provides treatment for children with ~~emotional disturbance~~ mental illness, consistent with section 245.4871, subdivision 32, and includes a licensed residential program specializing in caring 24 hours a day for children with a developmental delay or related condition. A residential

treatment facility does not include a psychiatric residential treatment facility under section 256B.0941 or a family foster home as defined in section 260C.007, subdivision 16b.

Sec. 76. Minnesota Statutes 2024, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings under this chapter and chapter 260D, for a child to receive treatment for ~~an emotional disturbance~~ a mental illness, ~~a~~ developmental disability, or related condition in a residential treatment facility licensed by the commissioner of human services under chapter 245A, or licensed or approved by a tribe. A screening team is not required for a child to be in: (1) a residential facility specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in high-quality residential care and supportive services to children and youth who have been or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3) supervised settings for youth who are 18 years of age or older and living independently; or (4) a licensed residential family-based treatment facility for substance abuse consistent with section 260C.190. Screenings are also not required when a child must be placed in a facility due to an emotional crisis or other mental health emergency.

(b) The responsible social services agency shall conduct screenings within 15 days of a request for a screening, unless the screening is for the purpose of residential treatment and the child is enrolled in a prepaid health program under section 256B.69, in which case the agency shall conduct the screening within ten working days of a request. The responsible social services agency shall convene the juvenile treatment screening team, which may be constituted under section 245.4885, 254B.05, or 256B.092. The team shall consist of social workers; persons with expertise in the treatment of juveniles who are emotionally disturbed, chemically dependent, or have a developmental disability; and the child's parent, guardian, or permanent legal custodian. The team may include the child's relatives as defined in section 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who are a resource to the child's family such as teachers, medical or mental health providers, and clergy, as appropriate, consistent with the family and permanency team as defined in section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services agency must consult with the child's parents, the child if the child is age 14 or older, and, if applicable, the child's tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals. This provision does not apply to paragraph (c).

(c) If the agency provides notice to tribes under section 260.761, and the child screened is an Indian child, the responsible social services agency must make a rigorous and concerted effort to include a designated representative of the Indian child's tribe on the juvenile treatment screening team, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12. The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835, apply to this section.

(d) If the court, prior to, or as part of, a final disposition or other court order, proposes to place a child with ~~an emotional disturbance or~~ a mental illness, developmental disability, or related condition in residential treatment, the responsible social services agency must conduct a screening.

If the team recommends treating the child in a qualified residential treatment program, the agency must follow the requirements of sections 260C.70 to 260C.714.

The court shall ascertain whether the child is an Indian child and shall notify the responsible social services agency and, if the child is an Indian child, shall notify the Indian child's tribe as paragraph (c) requires.

(e) When the responsible social services agency is responsible for placing and caring for the child and the screening team recommends placing a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1) begin the assessment and processes required in section 260C.704 without delay; and (2) conduct a relative search according to section 260C.221 to assemble the child's family and permanency team under section 260C.706. Prior to notifying relatives regarding the family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's tribe to ensure that the agency is providing notice to individuals who will act in the child's best interests. The child and the child's parents may identify a culturally competent qualified individual to complete the child's assessment. The agency shall make efforts to refer the assessment to the identified qualified individual. The assessment may not be delayed for the purpose of having the assessment completed by a specific qualified individual.

(f) When a screening team determines that a child does not need treatment in a qualified residential treatment program, the screening team must:

(1) document the services and supports that will prevent the child's foster care placement and will support the child remaining at home;

(2) document the services and supports that the agency will arrange to place the child in a family foster home; or

(3) document the services and supports that the agency has provided in any other setting.

(g) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, a developmental disability, or co-occurring ~~emotional disturbance~~ mental illness and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

(h) The responsible social services agency must conduct and document the screening in a format approved by the commissioner of human services.

Sec. 77. Minnesota Statutes 2024, section 260C.201, subdivision 1, is amended to read:

Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection or services or neglected and in foster care, the court shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the responsible social services agency or child-placing agency in the home of a parent of the child under conditions prescribed by the court directed to the correction of the child's need for protection or services:

(i) the court may order the child into the home of a parent who does not otherwise have legal custody of the child, however, an order under this section does not confer legal custody on that parent;

(ii) if the court orders the child into the home of a father who is not adjudicated, the father must cooperate with paternity establishment proceedings regarding the child in the appropriate jurisdiction as one of the conditions prescribed by the court for the child to continue in the father's home; and

(iii) the court may order the child into the home of a noncustodial parent with conditions and may also order both the noncustodial and the custodial parent to comply with the requirements of a case plan under subdivision 2; or

(2) transfer legal custody to one of the following:

(i) a child-placing agency; or

(ii) the responsible social services agency. In making a foster care placement of a child whose custody has been transferred under this subdivision, the agency shall make an individualized determination of how the placement is in the child's best interests using the placement consideration order for relatives and the best interest factors in section 260C.212, subdivision 2, and may include a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190; or

(3) order a trial home visit without modifying the transfer of legal custody to the responsible social services agency under clause (2). Trial home visit means the child is returned to the care of the parent or guardian from whom the child was removed for a period not to exceed six months. During the period of the trial home visit, the responsible social services agency:

(i) shall continue to have legal custody of the child, which means that the agency may see the child in the parent's home, at school, in a child care facility, or other setting as the agency deems necessary and appropriate;

(ii) shall continue to have the ability to access information under section 260C.208;

(iii) shall continue to provide appropriate services to both the parent and the child during the period of the trial home visit;

(iv) without previous court order or authorization, may terminate the trial home visit in order to protect the child's health, safety, or welfare and may remove the child to foster care;

(v) shall advise the court and parties within three days of the termination of the trial home visit when a visit is terminated by the responsible social services agency without a court order; and

(vi) shall prepare a report for the court when the trial home visit is terminated whether by the agency or court order that describes the child's circumstances during the trial home visit and recommends appropriate orders, if any, for the court to enter to provide for the child's safety and

stability. In the event a trial home visit is terminated by the agency by removing the child to foster care without prior court order or authorization, the court shall conduct a hearing within ten days of receiving notice of the termination of the trial home visit by the agency and shall order disposition under this subdivision or commence permanency proceedings under sections 260C.503 to 260C.515. The time period for the hearing may be extended by the court for good cause shown and if it is in the best interests of the child as long as the total time the child spends in foster care without a permanency hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or ~~emotional disturbance~~ mental illness as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to $100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child as defined in paragraph (f).

(e) When a parent has complied with a case plan ordered under subdivision 6 and the child is in the care of the parent, the court may order the responsible social services agency to monitor the parent's continued ability to maintain the child safely in the home under such terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 78. Minnesota Statutes 2024, section 260C.201, subdivision 2, is amended to read:

Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

(1) why the best interests and safety of the child are served by the disposition and case plan ordered;

(2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;

(3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the relative and sibling placement considerations and best interest factors in section 260C.212, subdivision 2, or the appropriateness of a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190;

(4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:

(i) to prevent the child's placement and to reunify the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;

(ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1. The court's findings must include a description of the agency's efforts to:

(A) identify and locate the child's noncustodial or nonresident parent;

(B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of the child; and

(C) if appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide the child's day-to-day care, including efforts to engage the noncustodial or nonresident parent in assuming care and responsibility of the child;

(iii) to make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;

(iv) to identify and make a foster care placement of the child, considering the order in section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative, according to the requirements of section 142B.06, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212, subdivision 2, paragraph (a). The court may order the agency to continue considering relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or ~~emotional disturbance~~ mental illness as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan that is for reunification with

the child's parent or guardian and a secondary plan that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 79. Minnesota Statutes 2024, section 260C.301, subdivision 4, is amended to read:

Subd. 4. **Current foster care children.** Except for cases where the child is in placement due solely to the child's developmental disability or ~~emotional disturbance~~ mental illness, where custody has not been transferred to the responsible social services agency, and where the court finds compelling reasons to continue placement, the county attorney shall file a termination of parental rights petition or a petition to transfer permanent legal and physical custody to a relative under section 260C.515, subdivision 4, for all children who have been in out-of-home care for 15 of the most recent 22 months. This requirement does not apply if there is a compelling reason approved by the court for determining that filing a termination of parental rights petition or other permanency petition would not be in the best interests of the child or if the responsible social services agency has not provided reasonable efforts necessary for the safe return of the child, if reasonable efforts are required.

Sec. 80. Minnesota Statutes 2024, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the responsible social services agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for ~~an emotional disturbance or~~ a mental illness, developmental disability, or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or ~~a~~ related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, when necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs;

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community;

(4) engaging with the responsible social services agency to ensure that the family and permanency team under section 260C.706 consists of appropriate family members. For purposes of voluntary placement of a child in foster care for treatment under chapter 260D, prior to forming the child's family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals unless the individual is a treating professional or an important connection to the youth as outlined in the case or crisis plan; and

(5) for a voluntary placement under this chapter in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a relative search as provided in section 260C.221, the county agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which adult relatives the county agency should notify. If the child, child's parents, or legal guardians raise concerns about specific relatives, the county agency should not notify those relatives.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply.

Sec. 81. Minnesota Statutes 2024, section 260D.02, subdivision 5, is amended to read:

Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care for treatment" means a child with ~~emotional disturbance~~ a mental illness or developmental disability~~,~~ or who has a related condition and is in foster care under a voluntary foster care agreement between the child's parent and the agency due to concurrence between the agency and the parent when it is determined that foster care is medically necessary:

(1) due to a determination by the agency's screening team based on its review of the diagnostic and functional assessment under section 245.4885; or

(2) due to a determination by the agency's screening team under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016.

A child is not in voluntary foster care for treatment under this chapter when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than the child's ~~emotional or~~ mental illness, developmental disability, or related condition.

Sec. 82. Minnesota Statutes 2024, section 260D.02, subdivision 9, is amended to read:

Subd. 9. **~~Emotional disturbance~~ Mental illness.** "~~Emotional disturbance~~ Mental illness" means ~~emotional disturbance~~ mental illness as described in section 245.4871, subdivision 15.

Sec. 83. Minnesota Statutes 2024, section 260D.03, subdivision 1, is amended to read:

Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon the diagnostic and functional assessment under section 245.4885 or medical necessity screenings under section 256B.092, subdivision 7, determines the child's need for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition requires foster care placement of the child, a voluntary foster care agreement between the child's parent and the agency gives the agency legal authority to place the child in foster care.

Sec. 84. Minnesota Statutes 2024, section 260D.04, is amended to read:

260D.04 REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

An agency with authority to place a child in voluntary foster care for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition~~,~~ shall inform the child, age 12 or older, of the following:

(1) the child has the right to be consulted in the preparation of the out-of-home placement plan required under section 260C.212, subdivision 1, and the administrative review required under section 260C.203;

(2) the child has the right to visit the parent and the right to visit the child's siblings as determined safe and appropriate by the parent and the agency;

(3) if the child disagrees with the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information about the nature of the child's disagreement and, to the extent possible, the agency's understanding of the basis of the child's disagreement in the information provided to the court in the report required under section 260D.06; and

(4) the child has the rights established under Minnesota Rules, part 2960.0050, as a resident of a facility licensed by the state.

Sec. 85. Minnesota Statutes 2024, section 260D.06, subdivision 2, is amended to read:

Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review by reporting to the court according to the following procedures:

(a) A written report shall be forwarded to the court within 165 days of the date of the voluntary placement agreement. The written report shall contain or have attached:

(1) a statement of facts that necessitate the child's foster care placement;

(2) the child's name, date of birth, race, gender, and current address;

(3) the names, race, date of birth, residence, and post office addresses of the child's parents or legal custodian;

(4) a statement regarding the child's eligibility for membership or enrollment in an Indian tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;

(5) the names and addresses of the foster parents or chief administrator of the facility in which the child is placed, if the child is not in a family foster home or group home;

(6) a copy of the out-of-home placement plan required under section 260C.212, subdivision 1;

(7) a written summary of the proceedings of any administrative review required under section 260C.203;

(8) evidence as specified in section 260C.712 when a child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d; and

(9) any other information the agency, parent or legal custodian, the child or the foster parent, or other residential facility wants the court to consider.

(b) In the case of a child in placement due to ~~emotional disturbance~~ mental illness, the written report shall include as an attachment, the child's individual treatment plan developed by the child's treatment professional, as provided in section 245.4871, subdivision 21, or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(c) In the case of a child in placement due to developmental disability or a related condition, the written report shall include as an attachment, the child's individual service plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan, as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan; or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(d) The agency must inform the child, age 12 or older, the child's parent, and the foster parent or foster care facility of the reporting and court review requirements of this section and of their right to submit information to the court:

(1) if the child or the child's parent or the foster care provider wants to send information to the court, the agency shall advise those persons of the reporting date and the date by which the agency must receive the information they want forwarded to the court so the agency is timely able submit it with the agency's report required under this subdivision;

(2) the agency must also inform the child, age 12 or older, the child's parent, and the foster care facility that they have the right to be heard in person by the court and how to exercise that right;

(3) the agency must also inform the child, age 12 or older, the child's parent, and the foster care provider that an in-court hearing will be held if requested by the child, the parent, or the foster care provider; and

(4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's

disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.07, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the court's determinations. In this case, the court shall set the matter for hearing and appoint a guardian ad litem for the child under section 260C.163, subdivision 5.

Sec. 86. Minnesota Statutes 2024, section 260D.07, is amended to read:

260D.07 REQUIRED PERMANENCY REVIEW HEARING.

(a) When the court has found that the voluntary arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child pursuant to the report submitted under section 260D.06, and the child continues in voluntary foster care as defined in section 260D.02, subdivision 10, for 13 months from the date of the voluntary foster care agreement, or has been in placement for 15 of the last 22 months, the agency must:

(1) terminate the voluntary foster care agreement and return the child home; or

(2) determine whether there are compelling reasons to continue the voluntary foster care arrangement and, if the agency determines there are compelling reasons, seek judicial approval of its determination; or

(3) file a petition for the termination of parental rights.

(b) When the agency is asking for the court's approval of its determination that there are compelling reasons to continue the child in the voluntary foster care arrangement, the agency shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" and ask the court to proceed under this section.

(c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment" shall be drafted or approved by the county attorney and be under oath. The petition shall include:

(1) the date of the voluntary placement agreement;

(2) whether the petition is due to the child's developmental disability or ~~emotional disturbance~~ mental illness;

(3) the plan for the ongoing care of the child and the parent's participation in the plan;

(4) a description of the parent's visitation and contact with the child;

(5) the date of the court finding that the foster care placement was in the best interests of the child, if required under section 260D.06, or the date the agency filed the motion under section 260D.09, paragraph (b);

(6) the agency's reasonable efforts to finalize the permanent plan for the child, including returning the child to the care of the child's family;

(7) a citation to this chapter as the basis for the petition; and

(8) evidence as specified in section 260C.712 when a child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d.

(d) An updated copy of the out-of-home placement plan required under section 260C.212, subdivision 1, shall be filed with the petition.

(e) The court shall set the date for the permanency review hearing no later than 14 months after the child has been in placement or within 30 days of the petition filing date when the child has been in placement 15 of the last 22 months. The court shall serve the petition together with a notice of hearing by United States mail on the parent, the child age 12 or older, the child's guardian ad litem, if one has been appointed, the agency, the county attorney, and counsel for any party.

(f) The court shall conduct the permanency review hearing on the petition no later than 14 months after the date of the voluntary placement agreement, within 30 days of the filing of the petition when the child has been in placement 15 of the last 22 months, or within 15 days of a motion

to terminate jurisdiction and to dismiss an order for foster care under chapter 260C, as provided in section 260D.09, paragraph (b).

(g) At the permanency review hearing, the court shall:

(1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate, and whether the parent agrees to the continued voluntary foster care arrangement as being in the child's best interests;

(2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to finalize the permanent plan for the child, including whether there are services available and accessible to the parent that might allow the child to safely be with the child's family;

(3) inquire of the parent if the parent consents to the court entering an order that:

(i) approves the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing future planning for the safety, health, and best interests of the child; and

(ii) approves the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests; and

(4) inquire of the child's guardian ad litem and any other party whether the guardian or the party agrees that:

(i) the court should approve the responsible agency's reasonable efforts to finalize the permanent plan for the child, which includes ongoing and future planning for the safety, health, and best interests of the child; and

(ii) the court should approve of the responsible agency's determination that there are compelling reasons why the continued voluntary foster care arrangement is in the child's best interests.

(h) At a permanency review hearing under this section, the court may take the following actions based on the contents of the sworn petition and the consent of the parent:

(1) approve the agency's compelling reasons that the voluntary foster care arrangement is in the best interests of the child; and

(2) find that the agency has made reasonable efforts to finalize the permanent plan for the child.

(i) A child, age 12 or older, may object to the agency's request that the court approve its compelling reasons for the continued voluntary arrangement and may be heard on the reasons for the objection. Notwithstanding the child's objection, the court may approve the agency's compelling reasons and the voluntary arrangement.

(j) If the court does not approve the voluntary arrangement after hearing from the child or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

(1) the child must be returned to the care of the parent; or

(2) the agency must file a petition under section 260C.141, asking for appropriate relief under sections 260C.301 or 260C.503 to 260C.521.

(k) When the court approves the agency's compelling reasons for the child to continue in voluntary foster care for treatment, and finds that the agency has made reasonable efforts to finalize a permanent plan for the child, the court shall approve the continued voluntary foster care arrangement, and continue the matter under the court's jurisdiction for the purposes of reviewing the child's placement every 12 months while the child is in foster care.

(l) A finding that the court approves the continued voluntary placement means the agency has continued legal authority to place the child while a voluntary placement agreement remains in effect. The parent or the agency may terminate a voluntary agreement as provided in section 260D.10. Termination of a voluntary foster care placement of an Indian child is governed by section 260.765, subdivision 4.

Sec. 87. Minnesota Statutes 2024, section 260E.11, subdivision 3, is amended to read:

Subd. 3. **Report to medical examiner or coroner; notification to local agency and law enforcement; report ombudsman.** (a) A person mandated to report maltreatment who knows or has reason to believe a child has died as a result of maltreatment shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency, police department, or county sheriff.

(b) The medical examiner or coroner shall notify the local welfare agency, police department, or county sheriff in instances in which the medical examiner or coroner believes that the child has died as a result of maltreatment. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff and the local welfare agency.

(c) If the child was receiving services or treatment for mental illness, developmental disability, or substance use disorder~~, or emotional disturbance~~ from an agency, facility, or program as defined in section 245.91, the medical examiner or coroner shall also notify and report findings to the ombudsman established under sections 245.91 to 245.97.

Sec. 88. Minnesota Statutes 2024, section 295.50, subdivision 9b, is amended to read:

Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services and other goods and services provided by hospitals, surgical centers, or health care providers. They include the following health care goods and services provided to a patient or consumer:

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospitals, surgical centers, or health care provider facilities;

(4) medical social services;

(5) drugs, biologicals, supplies, appliances, and equipment;

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

(8) items and services furnished to ambulatory patients not requiring emergency care; and

(9) emergency services.

(b) "Patient services" does not include:

(1) services provided to nursing homes licensed under chapter 144A;

(2) examinations for purposes of utilization reviews, insurance claims or eligibility, litigation, and employment, including reviews of medical records for those purposes;

(3) services provided to and by community residential mental health facilities licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by residential treatment programs for children with ~~severe emotional disturbance~~ a serious mental illness licensed or certified under chapter 245A;

(4) services provided under the following programs: day treatment services as defined in section 245.462, subdivision 8; assertive community treatment as described in section 256B.0622; adult rehabilitative mental health services as described in section 256B.0623; crisis response services as described in section 256B.0624; and children's therapeutic services and supports as described in section 256B.0943;

(5) services provided to and by community mental health centers as defined in section 245.62, subdivision 2;

(6) services provided to and by assisted living programs and congregate housing programs;

(7) hospice care services;

(8) home and community-based waivered services under chapter 256S and sections 256B.49 and 256B.501;

(9) targeted case management services under sections 256B.0621; 256B.0625, subdivisions 20, 20a, 33, and 44; and 256B.094; and

(10) services provided to the following: supervised living facilities for persons with developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments required to be registered under chapter 144D; board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100; adult day care services as defined in section 245A.02, subdivision 2a; and home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under chapter 144A.

ARTICLE 11

ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL TREATMENT SERVICES RECODIFICATION

Section 1. Minnesota Statutes 2024, section 256B.0622, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, assertive community treatment when the services are provided by an entity certified under and meeting the standards in this section.

~~(b) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.~~

~~(c)~~ (b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Sec. 2. Minnesota Statutes 2024, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment ~~and intensive residential treatment~~ services.** (a) Payment for ~~intensive residential treatment services and~~ assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph ~~(d)~~ (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

~~(c) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.~~

~~(d)~~ (c) The commissioner shall determine ~~one rate for each provider that will bill medical assistance for residential services under this section and~~ one rate for each assertive community treatment provider under this section. If a single entity provides both ~~services~~ intensive residential treatment services under section 256B.0632 and assertive community treatment under this section, one rate is established for the entity's intensive residential treatment services under section 256B.0632 and another rate for the entity's ~~nonresidential~~ assertive community treatment services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual ~~cost is~~ costs are defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section or section 256B.0632; and

(5) the costs of other services that will be separately reimbursed.

~~(c)~~ (d) The rate for ~~intensive residential treatment services and~~ assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

~~(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.~~

~~(g)~~ (e) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

~~(h)~~ (f) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(i)~~ (g) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph ~~(d)~~ (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph ~~(d)~~ (c).

~~(j)~~ (h) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. This paragraph expires upon federal approval.

(i) Effective upon the expiration of paragraph (h), and effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

~~(k)~~ (j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

~~(l)~~ (k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 3. Minnesota Statutes 2024, section 256B.0622, subdivision 11, is amended to read:

Subd. 11. **Sustainability grants.** The commissioner may disburse grant funds directly to ~~intensive residential treatment services providers and~~ assertive community treatment providers to maintain access to these services.

Sec. 4. Minnesota Statutes 2024, section 256B.0622, subdivision 12, is amended to read:

Subd. 12. **Start-up grants.** The commissioner may, within available appropriations, disburse grant funding to counties, Indian tribes, or mental health service providers to establish additional assertive community treatment teams~~, intensive residential treatment services, or crisis residential services~~.

Sec. 5. **[256B.0632] INTENSIVE RESIDENTIAL TREATMENT SERVICES.**

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.

(b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Subd. 2. **Provider entity licensure and contract requirements for intensive residential treatment services.** (a) The commissioner shall develop procedures for counties and providers to submit other documentation as needed to allow the commissioner to determine whether the standards in this section are met.

(b) A provider entity must specify in the provider entity's application what geographic area and populations will be served by the proposed program. A provider entity must document that the capacity or program specialties of existing programs are not sufficient to meet the service needs of the target population. A provider entity must submit evidence of ongoing relationships with other providers and levels of care to facilitate referrals to and from the proposed program.

(c) A provider entity must submit documentation that the provider entity requested a statement of need from each county board and Tribal authority that serves as a local mental health authority in the proposed service area. The statement of need must specify if the local mental health authority supports or does not support the need for the proposed program and the basis for this determination. If a local mental health authority does not respond within 60 days of the receipt of the request, the commissioner shall determine the need for the program based on the documentation submitted by the provider entity.

Subd. 3. **Medical assistance payment for intensive residential treatment services.** (a) Payment for intensive residential treatment services in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (d), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.

(d) The commissioner shall determine one rate for each provider that will bill medical assistance for intensive residential treatment services under this section. If a single entity provides both intensive residential treatment services under this section and assertive community treatment under section 256B.0622, one rate is established for the entity's intensive residential treatment services under this section and another rate for the entity's assertive community treatment services under section 256B.0622. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space; and

(iv) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual costs are defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of services units;

(4) the degree to which clients will receive services other than services under this section or section 256B.0622; and

(5) the costs of other services that will be separately reimbursed.

(e) The rate for intensive residential treatment services must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (d). The rates

for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (d).

(i) Effective upon the expiration of section 256B.0622, subdivision 8, paragraph (h), and effective for rate years beginning on and after January 1, 2024, rates for intensive residential treatment services and adult residential crisis stabilization services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Subd. 4. **Provider enrollment; rate setting for county-operated entities.** Counties that employ their own staff to provide services under this section shall apply directly to the commissioner for enrollment and rate setting. In this case, a county contract is not required.

Subd. 5. **Provider enrollment; rate setting for specialized program.** A county contract is not required for a provider proposing to serve a subpopulation of eligible clients under the following circumstances:

(1) the provider demonstrates that the subpopulation to be served requires a specialized program which is not available from county-approved entities; and

(2) the subpopulation to be served is of such a low incidence that it is not feasible to develop a program serving a single county or regional group of counties.

Subd. 6. **Sustainability grants.** The commissioner may disburse grant funds directly to intensive residential treatment services providers to maintain access to these services.

Subd. 7. **Start-up grants.** The commissioner may, within available appropriations, disburse grant funding to counties, Indian Tribes, or mental health service providers to establish additional intensive residential treatment services and residential crisis services.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 256B.0622, subdivision 4, is repealed.

ARTICLE 12

ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL TREATMENT SERVICES RECODIFICATION CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 148F.11, subdivision 1, is amended to read:

Subdivision 1. **Other professionals.** (a) Nothing in this chapter prevents members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to: licensed physicians; registered nurses; licensed practical nurses; licensed psychologists and licensed psychological practitioners; members of the clergy provided such services are provided within the scope of regular ministries; American Indian medicine men and women; licensed attorneys; probation officers; licensed marriage and family therapists; licensed social workers; social workers employed by city, county, or state agencies; licensed professional counselors; licensed professional clinical counselors; licensed school counselors; registered occupational therapists or occupational therapy assistants; Upper Midwest Indian Council on Addictive Disorders (UMICAD) certified counselors when providing services to Native American people; city, county, or state employees when providing assessments or case management under Minnesota Rules, chapter 9530; and staff persons providing co-occurring substance use disorder treatment in adult mental health rehabilitative programs certified or licensed by the Department of Human Services under section 245I.23, 256B.0622, ~~or~~ 256B.0623, or 256B.0632.

(b) Nothing in this chapter prohibits technicians and resident managers in programs licensed by the Department of Human Services from discharging their duties as provided in Minnesota Rules, chapter 9530.

(c) Any person who is exempt from licensure under this section must not use a title incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug counselor" or otherwise hold himself or herself out to the public by any title or description stating or implying that he or she is engaged in the practice of alcohol and drug counseling, or that he or she is licensed to engage in the practice of alcohol and drug counseling, unless that person is also licensed as an alcohol and drug counselor. Persons engaged in the practice of alcohol and drug counseling are not exempt from the board's jurisdiction solely by the use of one of the titles in paragraph (a).

Sec. 2. Minnesota Statutes 2024, section 245.4662, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Community partnership" means a project involving the collaboration of two or more eligible applicants.

(c) "Eligible applicant" means an eligible county, Indian tribe, mental health service provider, hospital, or community partnership. Eligible applicant does not include a state-operated direct care and treatment facility or program under chapters 246 and 246C.

(d) "Intensive residential treatment services" has the meaning given in section ~~256B.0622~~ 256B.0632.

(e) "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 245.4906, subdivision 2, is amended to read:

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that employs a mental health certified peer specialist qualified under section 245I.04, subdivision 10, and that provides services to individuals receiving assertive community treatment ~~or intensive residential treatment services~~ under section 256B.0622, intensive residential treatment services under section 256B.0632, adult rehabilitative mental health services under section 256B.0623, or crisis response services under section 256B.0624.

Sec. 4. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

(i) Persons enrolled in MinnesotaCare are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section ~~256B.0622~~ 256B.0632.

Sec. 5. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Programs providing children's residential services under section 245.4882, except services for individuals who have a placement under chapter 260C or 260D, are eligible vendors of room and board.

(e) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section ~~256B.0622 or~~ 256B.0624 or 256B.0632 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(f) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

Sec. 6. Minnesota Statutes 2024, section 256.478, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative if the individual can demonstrate that current services are not capable of meeting individual treatment and service needs that can be met in the community with support, and the individual meets at least one of the following criteria:

(1) the person meets the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(2) the person has met treatment objectives and no longer requires a hospital-level care, residential-level care, or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota Forensic Mental Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential treatment facility under section 256B.0941, intensive residential treatment services under section ~~256B.0622~~ 256B.0632, children's

residential services under section 245.4882, juvenile detention facility, county supervised building, or a hospital would be substantially delayed without additional resources available through the transitions to community initiative;

(3) the person (i) is receiving customized living services reimbursed under section 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or community residential services reimbursed under section 256B.4914; (ii) expresses a desire to move; and (iii) has received approval from the commissioner; or

(4) the person can demonstrate that the person's needs are beyond the scope of current service designs and grant funding can support the inclusion of additional supports for the person to access appropriate treatment and services in the least restrictive environment.

Sec. 7. Minnesota Statutes 2024, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services, as established in subdivision 2, if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, ~~and~~ 256B.0624, and 256B.0632 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 8. Minnesota Statutes 2024, section 256B.0615, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Peer support services may be made available to consumers of (1) intensive residential treatment services under section ~~256B.0622~~ 256B.0632; (2) adult rehabilitative mental health services under section 256B.0623; and (3) crisis stabilization and mental health mobile crisis intervention services under section 256B.0624.

Sec. 9. Minnesota Statutes 2024, section 256B.82, is amended to read:

256B.82 PREPAID PLANS AND MENTAL HEALTH REHABILITATIVE SERVICES.

Medical assistance and MinnesotaCare prepaid health plans may include coverage for adult mental health rehabilitative services under section 256B.0623, intensive rehabilitative services under section ~~256B.0622~~ 256B.0632, and adult mental health crisis response services under section 256B.0624, beginning January 1, 2005.

By January 15, 2004, the commissioner shall report to the legislature how these services should be included in prepaid plans. The commissioner shall consult with mental health advocates, health plans, and counties in developing this report. The report recommendations must include a plan to ensure coordination of these services between health plans and counties, assure recipient access to essential community providers, and monitor the health plans' delivery of services through utilization review and quality standards.

Sec. 10. Minnesota Statutes 2024, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota

supplemental aid who are not residents of a nursing home, a regional treatment center, or a setting authorized to receive housing support payments under chapter 256I.

(b) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician, advanced practice registered nurse, or physician assistant. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

(1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

(2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;

(3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;

(4) low cholesterol diet, 25 percent of thrifty food plan;

(5) high residue diet, 20 percent of thrifty food plan;

(6) pregnancy and lactation diet, 35 percent of thrifty food plan;

(7) gluten-free diet, 25 percent of thrifty food plan;

(8) lactose-free diet, 25 percent of thrifty food plan;

(9) antidumping diet, 15 percent of thrifty food plan;

(10) hypoglycemic diet, 15 percent of thrifty food plan; or

(11) ketogenic diet, 25 percent of thrifty food plan.

(c) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of $100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(e) The county agency shall continue to pay a monthly allowance of $68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement

changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(f) A fee equal to the maximum monthly amount allowed by the Social Security Administration is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of the maximum federal Supplemental Security Income payment amount for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as in need of housing assistance and are:

(i) relocating from an institution, a setting authorized to receive housing support under chapter 256I, or an adult mental health residential treatment program under section ~~256B.0622~~ 256B.0632;

(ii) eligible for personal care assistance under section 256B.0659; or

(iii) home and community-based waiver recipients living in their own home or rented or leased apartment.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered in need of housing assistance for purposes of this paragraph.

ARTICLE 13

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

Subd. 2. **Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual affiliated with a Title IV-E eligible children's residential facility or foster residence setting, the individual may not work in the facility or setting regardless of whether or not the individual is supervised;

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) For a background study affiliated with a licensed child care center or certified license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii), must not be issued until the commissioner receives a qualifying result for the individual for the fingerprint-based national criminal history record check or the fingerprint-based criminal history information from the Bureau of Criminal Apprehension. The notice must require the individual to be under continuous direct supervision prior to completion of the remainder of the background study except as permitted in subdivision 3.

(c) Activities prohibited prior to receipt of notice under paragraph (a) include:

(1) being issued a license;

(2) living in the household where the licensed program will be provided;

(3) providing direct contact services to persons served by a program unless the subject is under continuous direct supervision;

(4) having access to persons receiving services if the background study was completed under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2), (5), or (6), unless the subject is under continuous direct supervision;

(5) for licensed child care centers and certified license-exempt child care centers, providing direct contact services to persons served by the program;

(6) for children's residential facilities or foster residence settings, working in the facility or setting; or

(7) for background studies affiliated with a personal care provider organization, except as provided in section 245C.03, subdivision 3b, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study of the personal care assistant under this chapter and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22.

EFFECTIVE DATE. This section is effective January 15, 2026.

Sec. 2. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 4c. **Two-year disqualification.** An individual is disqualified under section 245C.14, subdivision 6, if less than two years has passed since a determination that the individual violated section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall disqualify an individual who is the subject of a background study from any position involving ownership, management, or control of a program or billing activities if a background study completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 14

DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

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 commissioner of children, youth, and families determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families 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 or the reduction or withholding of payments 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 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency.;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

(3) the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license;

(4) the provider, vendor, associated individual, or associated entity, including those receiving funds under any contract or registered program, has a background study disqualification under chapter 245C that has not been set aside and for which no variance has been issued, except for a disqualification under sections 245C.14, subdivision 5, and 245C.15, subdivision 4c; or

(5) by a preponderance of the evidence that the provider, vendor, individual, associated individual, or associated entity intentionally provided materially false information on the provider's billing forms.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining;

(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; and

(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;

(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and

(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, state with specificity the reasons the payment withholding decision is in error, and include documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to read:

Subd. 6. **Data practices.** The commissioner may exchange information, including claims data, with state or federal agencies, professional boards, departments, or programs for the purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related to suspected fraud or exclusion from any program administered by a state or federal agency.

Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall

provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 5. Minnesota Statutes 2024, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 142E and 245C; ~~or~~

(10) is prohibited from holding a license according to section 245.095~~.~~<u>; or</u>

<u>(11) is the subject of a pending administrative, civil, or criminal investigation.</u>

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's <u>or controlling individual's</u> actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by ~~the commissioner~~ a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 7. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

(b) The commissioners will maintain program compliance if for any ~~three consecutive month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention investigation program guidelines, or fails to meet the cost-effectiveness standards developed by the commissioners. This result is contingent on the commissioners providing written notice, including an offer of technical assistance, within 30 days of the end of the ~~third or subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required to submit a corrective action plan to the commissioners within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service provided by the commissioners, or reallocation of program grant funds, or investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate ~~each~~:

(1) each provider under this subdivision at least once every five years; ~~and~~

(2) each personal care assistance agency under this subdivision once every three years~~.~~; and

(3) at the commissioner's discretion, any other Medicaid-only provider type the commissioner deems "high risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment

for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous

calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for provider enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If the Medicaid revenue in the previous year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of $20,000 for each business location providing service;

(4) proof of workers' compensation insurance coverage identifying the business location where personal care assistance services are provided;

(5) proof of liability insurance coverage identifying the business location where personal care assistance services are provided and naming the department as a certificate holder;

(6) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(7) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(8) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(9) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced personal care assistance services are provided and submitted for an enhanced rate under subdivision 17a;

(10) documentation of the agency's marketing practices;

(11) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(12) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(13) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before submitting an application for enrollment of the agency as a provider. All personal care assistance provider agencies shall also require qualified professionals to complete the training required by subdivision 13 before submitting an application for enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS agency-provider in a format determined by the commissioner, information and documentation that includes but is not limited to the following:

(1) the CFSS agency-provider's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's Medicaid revenue in the previous calendar year is less than or equal to $300,000, the agency-provider must purchase a surety bond of $50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than $300,000, the agency-provider must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of $20,000 per provider location;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a copy of the CFSS agency-provider's organizational chart identifying the names and roles of all owners, managing employees, staff, board of directors, and additional documentation reporting any affiliations of the directors and owners to other service providers;

(7) proof that the CFSS agency-provider has written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety, including the process for notification and resolution of participant grievances, incident response, identification and prevention of communicable diseases, and employee misconduct;

(8) proof that the CFSS agency-provider has all of the following forms and documents:

(i) a copy of the CFSS agency-provider's time sheet; and

(ii) a copy of the participant's individual CFSS service delivery plan;

(9) a list of all training and classes that the CFSS agency-provider requires of its staff providing CFSS services;

(10) documentation that the CFSS agency-provider and staff have successfully completed all the training required by this section;

(11) documentation of the agency-provider's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that are used or could be used for providing home care services;

(13) documentation that the agency-provider will use at least the following percentages of revenue generated from the medical assistance rate paid for CFSS services for CFSS support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except 100 percent of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services shall not be used in making this calculation; and

(14) documentation that the agency-provider does not burden participants' free exercise of their right to choose service providers by requiring CFSS support workers to sign an agreement not to work with any particular CFSS participant or for another CFSS agency-provider after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) CFSS agency-providers shall provide to the commissioner the information specified in paragraph (a).

(c) All CFSS agency-providers shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS agency-provider do not need to repeat the required training if they are hired by another agency and they have completed the training within the past three years. CFSS agency-provider billing staff shall complete training about CFSS program financial management. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency.

(d) Agency-providers shall submit all required documentation in this section within 30 days of notification from the commissioner. If an agency-provider fails to submit all the required documentation, the commissioner may take action under subdivision 23a.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 15

DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL POLICY

Section 1. Minnesota Statutes 2024, section 142E.51, subdivision 5, is amended to read:

Subd. 5. **Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department shall pursue an administrative disqualification, if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; receiving or providing a kickback, as defined in subdivision 6, paragraph (b); intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under this chapter. Intent may be proven by demonstrating a pattern of conduct that violates program rules under this chapter.

(b) To initiate an administrative disqualification, the commissioner must send written notice using a signature-verified confirmed delivery method to the provider against whom the action is being taken. Unless otherwise specified under this chapter or Minnesota Rules, chapter 3400, the commissioner must send the written notice at least 15 calendar days before the adverse action's effective date. The notice shall state (1) the factual basis for the agency's determination, (2) the

action the agency intends to take, (3) the dollar amount of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed action.

(c) The provider may appeal an administrative disqualification by submitting a written request to the state agency. A provider's request must be received by the state agency no later than 30 days after the date the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

(e) On appeal, the issuing agency bears the burden of proof to demonstrate by a preponderance of the evidence that the provider committed an intentional program violation.

(f) The hearing is subject to the requirements of section 142A.20. The human services judge may combine a fair hearing and administrative disqualification hearing into a single hearing if the factual issues arise out of the same or related circumstances and the provider receives prior notice that the hearings will be combined.

(g) A provider found to have committed an intentional program violation and is administratively disqualified must be disqualified, for a period of three years for the first offense and permanently for any subsequent offense, from receiving any payments from any child care program under this chapter.

(h) Unless a timely and proper appeal made under this section is received by the department, the administrative determination of the department is final and binding.

Sec. 2. Minnesota Statutes 2024, section 142E.51, subdivision 6, is amended to read:

Subd. 6. **Prohibited hiring ~~practice~~ practices.** (a) It is prohibited to hire a child care center employee when, as a condition of employment, the employee is required to have one or more children who are eligible for or receive child care assistance, if:

(1) the individual hiring the employee is, or is acting at the direction of or in cooperation with, a child care center provider, center owner, director, manager, license holder, or other controlling individual; and

(2) the individual hiring the employee knows or has reason to know the purpose in hiring the employee is to obtain child care assistance program funds.

(b) Program applicants, participants, and providers are prohibited from receiving or providing a kickback or payment in exchange for obtaining or attempting to obtain child care assistance benefits for their own financial gain. This paragraph does not apply to:

(1) marketing or promotional offerings that directly benefit an applicant or recipient's child or dependent for whom the child care provider is providing child care services; or

(2) child care provider discounts, scholarships, or other financial assistance allowed under section 142E.17, subdivision 7.

(c) An attempt to buy or sell access to a family's child care subsidy benefits to an unauthorized person by an applicant, a participant, or a provider is a kickback, an intentional program violation under subdivision 5, and wrongfully obtaining assistance under section 256.98.

Sec. 3. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different

authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 4, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 142B within the past two years;

(3) had a license issued under this chapter or chapter 142B revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 142B is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 245A.10 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Adult foster care, family adult day services, child foster residence setting, and community residential services license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

Sec. 5. Minnesota Statutes 2024, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of child foster residence setting and community residential setting;

(2) until the responsibility for family child foster care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family child foster care and family adult foster care;

(3) until the responsibility for family child care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family adult foster care and family child care;

(4) adult foster care or community residential setting maximum capacity;

(5) adult foster care or community residential setting minimum age requirement;

(6) child foster care maximum age requirement;

(7) variances regarding disqualified individuals;

(8) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(9) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(10) variances to section 142B.46 for the use of a cradleboard for a cultural accommodation.

(b) Once the respective responsibilities transfer from the commissioner of human services to the commissioner of children, youth, and families, under Laws 2023, chapter 70, article 12, section 30, the commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

~~(c) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.~~

~~(d) A~~ (c) An adult foster care, family adult day services, child foster residence setting, or community residential services license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

~~(e)~~ (d) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(f)~~ (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

Sec. 6. Minnesota Statutes 2024, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both, before the staff has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and must instead describe the program's procedures for administering opiate antagonist medications in the license holder's description of health care services under section 245G.08, subdivision 1.

Sec. 7. Minnesota Statutes 2024, section 245C.05, is amended by adding a subdivision to read:

Subd. 9. **Electronic signature.** For documentation requiring a signature under this chapter, use of an electronic signature as defined under section 325L.02, paragraph (h), is allowed.

Sec. 8. Minnesota Statutes 2024, section 245C.08, subdivision 3, is amended to read:

Subd. 3. **Arrest and investigative information.** (a) For any background study completed under this section, if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual, the commissioner also may review arrest and investigative information from:

(1) the Bureau of Criminal Apprehension;

(2) the commissioners of children, youth, and families; health; and human services;

(3) a ~~county attorney~~ prosecutor;

~~(4) a county sheriff;~~

~~(5)~~ (4) a county agency;

~~(6)~~ (5) a ~~local chief of police~~ law enforcement agency;

~~(7)~~ (6) other states;

~~(8)~~ (7) the courts;

~~(9)~~ (8) the Federal Bureau of Investigation;

~~(10)~~ (9) the National Criminal Records Repository; and

~~(11)~~ (10) criminal records from other states.

(b) Except when specifically required by law, the commissioner is not required to conduct more than one review of a subject's records from the Federal Bureau of Investigation if a review of the subject's criminal history with the Federal Bureau of Investigation has already been completed by

the commissioner and there has been no break in the subject's affiliation with the entity that initiated the background study.

(c) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the data obtained is private data and cannot be shared with private agencies or prospective employers of the background study subject.

(d) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the license holder or entity that submitted the study is not required to obtain a copy of the background study subject's disqualification letter under section 245C.17, subdivision 3.

Sec. 9. Minnesota Statutes 2024, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, financial management services organizations, community first services and supports organizations, unlicensed home and community-based organizations, and consumer-directed community supports organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the substance use disorder field, if the commissioner has previously set aside an individual's disqualification for

one or more programs or agencies in the substance use disorder treatment field, and the individual is the subject of a subsequent background study for a different program or agency in the substance use disorder treatment field, the commissioner shall set aside the disqualification for the program or agency in the substance use disorder treatment field that initiated the subsequent background study when the criteria under paragraph (b), clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued within 15 working days.

(d) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 10. Minnesota Statutes 2024, section 245D.02, subdivision 4a, is amended to read:

Subd. 4a. **Community residential setting.** "Community residential setting" means a residential program ~~as identified in section 245A.11, subdivision 8,~~ where residential supports and services identified in section 245D.03, subdivision 1, paragraph (c), clause (3), items (i) and (ii), are provided to adults, as defined in section 245A.02, subdivision 2, and the license holder is the owner, lessor, or tenant of the facility licensed according to this chapter, and the license holder does not reside in the facility.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 256.98, subdivision 1, is amended to read:

Subdivision 1. **Wrongfully obtaining assistance.** (a) A person who commits any of the following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897, the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program formerly codified in sections 256.72 to 256.871, chapter 142G, 256B, 256D, 256I, 256K, or 256L, child care assistance programs, and emergency assistance programs under section 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care assistance or food benefits produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94, and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that to which the person is entitled;

(2) knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency; or

(3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments to which the individual is not entitled as a provider of subsidized child care~~, or~~ by ~~furnishing or concurring in~~ receiving or providing any prohibited payment, as defined in section 609.542,

subdivision 2, including a kickback, or by submitting or aiding or abetting the submission of a willfully false claim for child care assistance.

(b) The continued receipt of assistance to which the person is not entitled or greater than that to which the person is entitled as a result of any of the acts, failure to act, or concealment described in this subdivision shall be deemed to be continuing offenses from the date that the first act or failure to act occurred.

Sec. 12. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; (8) soliciting or receiving any remuneration as defined in section 609.542, subdivision 3, or United States Code, title 42, section 1320a-7b(b)(1), and a criminal conviction is not required; (9) paying or offering to pay any remuneration as defined in section 609.542, subdivision 2, or United States Code, title 42, section 1320a-7b(b)(2), and a criminal conviction is not required; and ~~(8)~~ (10) any reason for which an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Sec. 13. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the ~~local~~ agency in all matters pertaining hereto. To prosecute under this chapter or sections 609.466 ~~and~~; 609.52, subdivision 2~~,~~; and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 14. **[609.542] HUMAN SERVICES PROGRAMS CRIMES.**

Subdivision 1. **Definition.** For purposes of this section, "federal health care program" has the meaning given in United States Code, title 42, section 1320a-7b(f).

Subd. 2. **Prohibited payments made relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally offers or pays any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to another person:

(1) to induce that person to apply for, receive, or induce another person to apply for or receive an item or service for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part, or which is administered in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 3. **Receipt of prohibited payments relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally solicits or receives any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind:

(1) in return for applying for or receiving a human services benefit, service, or grant for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 4. **Exemptions.** (a) This section does not apply to remuneration exempted under the Anti-Kickback Statute, United States Code, title 42, section 1320a-7b(b)(3), or payment made under a federal health care program which is exempt from liability by United States Code, title 42, section 1001.952.

(b) This section does not apply to:

(1) any amount paid by an employer to a bona fide employee for providing covered items or services under chapter 142E while acting in the course and scope of employment; or

(2) child care provider discounts, scholarships, or other financial assistance to families allowed under section 142E.17, subdivision 7.

Subd. 5. **Sentence.** (a) A person convicted under subdivision 2 or 3 may be sentenced pursuant to section 609.52, subdivision 3.

(b) For purposes of sentencing a violation of subdivision 2, "value" means the fair market value of the good, facility, service, or item that was obtained as a direct or indirect result of the prohibited payment.

(c) For purposes of sentencing a violation of subdivision 3, "value" means the amount of the prohibited payment solicited or received.

(d) As a matter of law, a claim for any good, facility, service, or item rendered or claimed to have been rendered in violation of this section is noncompensable and unenforceable at the time the claim is made.

Subd. 6. **Aggregation.** In a prosecution under this section, the value of the money, property, or benefit received or solicited by the defendant within a six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 5.

Subd. 7. **False claims.** In addition to the penalties provided for in this section, a claim, as defined in section 15C.01, subdivision 2, that includes items or services resulting from a violation of this section constitutes a false or fraudulent claim for purposes of section 15C.02.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 15. Laws 2023, chapter 70, article 7, section 34, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~for background studies requested on or after August 1, 2024~~ the day following final enactment.

Sec. 16. **MODIFICATION OF DEFINITIONS.**

For the purposes of implementing the provider licensing and reporting hub, the commissioner of human services may modify definitions in Minnesota Statutes, chapters 142B, 245A, 245D, 245F, 245G, and 245I, and Minnesota Rules, chapters 2960, 9502, 9520, 9530, 9543, 9555, and 9570. Definitions changed pursuant to this section do not affect the rights, responsibilities, or duties of the commissioner; the Department of Human Services; programs administered, licensed, certified, or funded by the commissioner; or the programs' employees or clients. This section expires August 31, 2028.

Sec. 17. **REPEALER.**

Minnesota Statutes 2024, section 245A.11, subdivision 8, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2025.

ARTICLE 16

ECONOMIC SUPPORTS

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Electronic benefits transfer; contracting and procurement.** Notwithstanding chapter 16C, the commissioner is exempt from the contract term limits for the issuance of public benefits through an electronic benefit transfer system and related services. These contracts may have up to an initial five-year term, with extensions not to exceed a ten-year total contract duration.

Sec. 2. **[142F.141] PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations and federally recognized American Indian Tribes or Bands located in Minnesota, as defined in section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to the cultural, religious, and dietary needs of the population served. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant funds under this section.

Subd. 3. **Application.** Applicants for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant funds.** Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process for determining eligible grantees under this section.

(b) In granting money, the commissioner must prioritize applicants that:

(1) have demonstrated the ability to provide prepared meals to racially, ethnically, and geographically diverse populations at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

(3) have a demonstrated history of sourcing at least 50 percent of the prepared meal ingredients from:

(i) Minnesota food producers and processors; or

(ii) food that is donated or would otherwise be waste.

(c) The commissioner must consider geographic distribution to ensure statewide coverage when awarding grants and minimize the number of grantees to simplify administrative burdens and costs.

Subd. 6. **Reporting.** (a) Grantees receiving money under this section must retain records documenting expenditure of the money and comply with any additional documentation requirements imposed by the commissioner.

(b) Grantees must report on the use of money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

(c) If the commissioner determines that ineligible expenditures are made by grantees receiving money under this section, the ineligible amount must be repaid to the commissioner and deposited in the general fund.

Sec. 3. **[142F.16] REGIONAL FOOD BANK GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish regional food bank grants to increase the availability of food to individuals and families in need.

Subd. 2. **Distribution of appropriation.** The commissioner must distribute funds appropriated under this section to regional food banks and federally recognized American Indian Tribes or Bands in Minnesota, as defined in section 10.65. The commissioner must distribute the funds under this section in accordance with the federal The Emergency Food Assistance Program (TEFAP) formula and guidelines of the United States Department of Agriculture. The commissioner may increase or decrease a qualifying recipient's proportionate amount if the commissioner determines the increase or decrease is necessary to meet community needs or demands for food in Minnesota. Food banks and American Indian Tribes or Bands must be in compliance with TEFAP regulations from the United States Department of Agriculture in order to receive funding under this section, as applicable.

Subd. 3. **Allowable uses of funds.** (a) Grant funds distributed to regional food banks under this section must be used to purchase, transport, and coordinate the distribution of food to TEFAP providers.

(b) Grant funds distributed to American Indian Tribes or Bands under this section must be used to purchase, transport, and coordinate the distribution of food to individuals and families in need.

(c) Grant funds distributed under this section may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper.

Subd. 4. **Reporting.** (a) Food banks and American Indian Tribes or Bands receiving grant funds under this section must retain records documenting expenditure of the grant funds and comply with any additional documentation requirements imposed by the commissioner.

(b) Food banks and American Indian Tribes or Bands must report on the use of grant funds received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

(c) If the commissioner determines that ineligible expenditures are made by food banks or American Indian Tribes or Bands receiving grant funds under this section, the ineligible amount must be repaid to the commissioner and deposited in the general fund.

Sec. 4. **FAMILY SUPPORTIVE HOUSING GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of human services must establish a family supportive housing grant program to award competitive grants to eligible applicants operating supportive housing for families.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Family" means a nontemporary household unit that includes at least one child and one parent or legal guardian.

(c) "Family permanent supportive housing" means housing that:

(1) is not time limited;

(2) is affordable for those at or below 30 percent of the area median income;

(3) offers specialized support services to residents tailored to the needs of children and families; and

(4) is available to families with multiple barriers to obtaining and maintaining housing, including but not limited to those who are homeless or at risk of homelessness; those with mental illness, substance use disorders, and other disabilities; and those referred by child protection services.

(d) "Resident" means a resident of family permanent supportive housing.

Subd. 3. **Eligibility.** To be eligible for a grant under this section, an applicant must be currently operating family supportive housing and be a nonprofit organization or Tribal government.

Subd. 4. **Application and administration.** (a) When applying to the commissioner for a grant under this section, each applicant must include the number of families they estimate to serve.

(b) Within available appropriations, the commissioner must award grant money to eligible grantees based on the estimated number of families served. The commissioner must use best efforts to ensure that 60 percent of the families served are within the seven-county metropolitan area and 40 percent of the families served are outside the seven-county metropolitan area. The commissioner must use best efforts to ensure that ten percent of the overall families served are members of Minnesota's Tribal Nations.

(c) By June 30, 2026, each grantee must provide a report to the commissioner on how many families the grantee served and what services the grantee provided.

Subd. 5. **Eligible uses of grant money.** An eligible applicant that receives grant money under this section must use the money for the services described in subdivision 6.

Subd. 6. **Specialized family support services.** Specialized family support services are nonmandatory, trauma-informed, and culturally appropriate services designed to help family residents maintain secure, dignified housing and provide a safe, stable environment for children. Services provided may include but are not limited to:

(1) age-appropriate child-centric services for education and enrichment;

(2) stabilization services such as:

(i) educational assessment and referrals to educational programs;

(ii) career planning, work skills training, job placement, and employment retention;

(iii) budgeting and money management;

(iv) referral for counseling regarding violence and sexual exploitation;

(v) referral for medical or psychiatric services or substance use disorder treatment;

(vi) parenting skills training;

(vii) self-sufficiency support services or life skills training, including tenant education and support to sustain housing; and

(viii) aftercare and follow-up services; and

(3) 24-hour-a-day, seven-day-a-week on-site staffing, including but not limited to front desk and security.

ARTICLE 17

CHILD PROTECTION AND WELFARE

Section 1. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

(b) Pursuant to law, the commissioner may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the commissioner.

(c) The commissioner may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) centering and including the lived experiences of children and youth, including those with disabilities and mental illness and their families, in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 and higher education systems; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

(e) The commissioner shall administer and supervise the forms of public assistance and other activities or services that are vested in the commissioner. Administration and supervision of 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 activities vested by law in the department, the commissioner has 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 the programs and activities administered by the commissioner;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of activities and programs; 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 142A.10;

(6) make contracts with and grants to public and private agencies and organizations, both for-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 human services to carry out the duties of this paragraph when necessary and feasible.

(f) The commissioner shall 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 and activities administered by the commissioner.

(g) The commissioner shall administer and supervise child welfare activities, including promoting the enforcement of laws preventing child maltreatment and protecting children with a disability and children who are in need of protection or services, licensing and supervising child care and child-placing agencies, and supervising the care of children in foster care. The commissioner shall coordinate with the commissioner of human services on activities impacting children overseen by the Department of Human Services, such as disability services, behavioral health, and substance use disorder treatment.

(h) The commissioner shall assist and cooperate with local, state, and federal departments, agencies, and institutions.

(i) The commissioner shall establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(j) The commissioner shall act as designated guardian of children pursuant to chapter 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide adoption services. For children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal code, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide permanency services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or Tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, Tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(k) The commissioner has 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 benefits. To carry out the experimental projects, the commissioner may waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. No project under this paragraph shall exceed four years. No order establishing an experimental project as authorized by this paragraph is 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, has been approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) The commissioner shall, according to federal requirements and in coordination with the commissioner of human services, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) The commissioner shall allocate federal fiscal disallowances or sanctions that are based on quality control error rates for the aid to families with dependent children (AFDC) program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition Assistance Program (SNAP) 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. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, 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 that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1).

(n) The commissioner shall 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) The commissioner has 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 programs administered by the commissioner. 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) The commissioner shall 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) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner shall cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner shall require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner shall develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner shall authorize the method of payment to or from the department as part of the 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 programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner shall create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner shall cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

(x) The commissioner shall enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

(y) The commissioner may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out of the state, in order that the child may continue to receive MFIP or equivalent aid from the state moved from until the child has resided for one year in the state moved to.

(z) The commissioner shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment program, the Minnesota family investment plan, family general assistance, or SNAP benefits whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The commissioner must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

(aa) The commissioner shall have the power and authority to accept on behalf of the state contributions and gifts for the use and benefit of children under the guardianship or custody of the commissioner. The commissioner may also receive and accept on behalf of such children money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions,

or other such monetary benefits. Gifts, contributions, pensions, and benefits under this paragraph must be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

(bb) The specific enumeration of powers and duties in this section must not be construed to be a limitation upon the general powers granted to the commissioner.

Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved program in four quarterly installments a year. The commissioner may certify an advance payment for the first quarter of the state fiscal year. Later payments must be made ~~upon receipt by the state of a quarterly report on finances and program activities~~ quarterly.

Sec. 3. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

Subd. 2. ~~**Quarterly report**~~ **Reporting.** The commissioner shall ~~specify~~ engage Tribal and urban Indian organizations to establish requirements for reports and reporting timelines, including ~~quarterly~~ fiscal reports submitted to the commissioner at least annually, according to section 142A.03, subdivision 2, paragraph (o). Each ~~quarter~~ reporting period as agreed upon by the commissioner and grantee, an approved program receiving an Indian child welfare grant shall submit a report to the commissioner that includes:

(1) a detailed accounting of grant money expended during the preceding ~~quarter~~ reporting period, specifying expenditures by line item and year to date; and

(2) a description of Indian child welfare activities conducted during the preceding ~~quarter~~ reporting period, including the number of clients served and the type of services provided.

~~The quarterly~~ Reports must be submitted no later than 30 days after the ~~end of each quarter~~ agreed upon reporting timelines of the state fiscal year.

Sec. 4. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The amount available for grants established under section 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other social services organizations is one-fifth of the total annual appropriation for Indian child welfare grants. ~~The maximum award under this subdivision is $100,000 a year for programs approved by the commissioner.~~

Sec. 5. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; CHILD WELFARE FISCAL ANALYSIS.**

Subdivision 1. **Child welfare fiscal analysis.** The commissioner of children, youth, and families must contract with a third-party consultant selected according to subdivision 2 to conduct a fiscal analysis to identify and make recommendations on how to best utilize all available child welfare funding streams and federal resources for supporting children, families, and county and Tribal child welfare service providers across Minnesota.

Subd. 2. **Fiscal analysis consultant selection.** The commissioner, with input from the Association of Minnesota Counties, the Minnesota Indian Affairs Council, community nonprofits, community providers, and other child welfare system stakeholders, must select an independent third-party consultant to conduct the fiscal analysis required under this section. The consultant must have expertise in and experience with child welfare systems and conducting fiscal analyses.

Subd. 3. **Child welfare fiscal analysis requirements.** When conducting the child welfare fiscal analysis under this section, the third-party consultant must evaluate:

(1) financial systems in Minnesota's child welfare system and funding sources available to the child welfare system; and

(2) state, county, and Tribal access to and use of funding or reimbursements for expenses related to child welfare, including but not limited to legal representation, training, and prevention services, under federal Title IV-E and Title IV-B, the federal Child Abuse Prevention and Treatment Act, TANF, Medicaid, the federal Social Services Block Grant Program, and other federal funds.

Subd. 4. **Stakeholder engagement.** The third-party consultant conducting the fiscal analysis under this section must engage with community child welfare service providers; state, county, and Tribal social services agencies; and other individuals or organizations with expertise in child welfare services, as the consultant determines to be appropriate.

Subd. 5. **Report on fiscal analysis.** By June 30, 2027, the third-party consultant conducting the child welfare fiscal analysis under this section must submit a report to the commissioner of children, youth, and families and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The report must include the findings from the fiscal analysis required in this section and recommendations on:

(1) how to maximize the state's receipt and use of child welfare funding streams and federal resources; and

(2) legislative proposals for any statutory or funding changes necessary to maximize the state's receipt and use of child welfare funding streams and federal resources.

Subd. 6. **Tribal participation.** Each of Minnesota's 11 federally recognized Tribal Nations may participate in the fiscal analysis required under this section. Tribal Nations that choose to participate have sovereignty over data they choose to share with the consultant, or other individuals or entities, and may request that their data not be included in any public documents.

Sec. 6. **SCAN OF AND REPORT ON OUT-OF-SCHOOL AND YOUTH PROGRAMMING.**

(a) The commissioner of children, youth, and families must conduct a scan of out-of-school and youth programming for youth under 21 years of age. The scan may include a review of existing reports, targeted interviews, surveys, and other methodologies, as determined by the commissioner.

(b) When conducting the scan, the commissioner must collaborate with community organizations and programming providers who provide out-of-school and youth programming; parents, youth,

and families who participate or have participated in out-of-school and youth programming; and other individuals with expertise in out-of-school and youth programming in order to:

(1) identify different avenues for gathering information; and

(2) collaborate in the outreach and facilitation of focused community engagement.

(c) By July 1, 2026, the commissioner must prepare and submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families. The commissioner may contract with consultants to help with the development of the report. The report must include:

(1) information on current federal, state, Tribal, county, and city out-of-school and youth programs;

(2) school districts that offer enrichment activities;

(3) information on availability and amount of funding sources, the costs to provide the out-of-school and youth programs, and the costs of the programs for families;

(4) any barriers and gaps for families to participate in the out-of-school and youth programming, as identified by findings from the scan under paragraph (a) and in discussions with community members and program providers;

(5) information on the populations participating in out-of-school and youth programming;

(6) differences in programming needs, opportunities, and accessibility between different demographics and different regions of Minnesota; and

(7) recommendations on policy and funding needs, including recommending potential partners for program delivery to expand access to quality out-of-school and youth programming.

(d) By July 1, 2026, the commissioner must present the final report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families.

ARTICLE 18

CHILD PROTECTION AND WELFARE POLICY

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 15, is amended to read:

Subd. 15. **Individual who is related.** "Individual who is related" means a spouse, a parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian. For purposes of family child foster care, individual who is related also includes an individual who, prior to the child's placement in the individual's home for foster care or adoption, is an important individual of the child or of the child's parent or custodian. Important individual means an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 2. Minnesota Statutes 2024, section 142B.05, subdivision 3, is amended to read:

Subd. 3. **Foster care by an individual who is related to a child; license required.** (a) Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 142B.06.

(b) An individual who is related to the child may seek foster care licensure through the county agency or a private agency in the community designated or licensed by the commissioner. The county agency, depending on funding available, must provide information to all potential relative foster care providers about this choice, including information about available private agencies for foster care licensure.

(c) If an individual who is related to a child is seeking licensure to provide foster care for the child and the individual has a domestic partner but is not married to the domestic partner, only the individual related to the child must be licensed to provide foster care. The commissioner must conduct background studies on household members according to section 245C.03, subdivision 1.

Sec. 3. Minnesota Statutes 2024, section 142B.47, is amended to read:

142B.47 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.

(a) Licensed child foster care providers, except individuals related to the child who only care for a relative child, that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years of age, ~~they~~ the caregivers are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. Licensed child foster care providers who are related to the child and who only care for a relative child must document completion of the training required under this section within 30 days after licensure. This section does not apply to emergency relative placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 4. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

(f) Notwithstanding paragraph (b), a child foster care license holder who is an individual related to the child, and who only serves a relative child, must document completion of the training required under this section within 30 days after licensure.

Sec. 5. Minnesota Statutes 2024, section 142B.80, is amended to read:

142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one

hour of the annual training requirement for the foster family license holder and caregivers must be on children's mental health issues and treatment. Except for providers and services under chapter 245D and child foster care license holders who are individuals related to the child who only serve a relative child who does not have fetal alcohol spectrum disorder, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

Sec. 6. **[142B.81] CHILD FOSTER CARE TRAINING; RELATIVE CAREGIVERS.**

Notwithstanding the required hours under Minnesota Rules, part 2960.3070, subpart 2, a child foster care license holder who is an individual related to the child must complete a minimum of six hours of in-service training per year in one or more of the areas in Minnesota Rules, part 2960.3070, subpart 2, or in other areas as agreed upon by the licensing agency and the foster parent. The relative child foster care license holder must consult with the licensing agency and complete training in areas that are most applicable to caring for the relative children in foster care in the home. This section does not apply to a child foster care license holder who is licensed to care for both a relative child and a nonrelative child.

Sec. 7. Minnesota Statutes 2024, section 245C.02, is amended by adding a subdivision to read:

Subd. 16b. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27. For purposes of background studies affiliated with child foster care licensure, a person is a relative if the person was known to the child or the child's parent before the child is placed in foster care.

Sec. 8. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, regardless of how much time has passed, an individual is disqualified under section 245C.14 if the individual committed an act that resulted in a felony-level conviction for sections: 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); ~~609.221 (assault in the first degree);~~ 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse); 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in, hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual

conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession of pictorial representations of minors).

(b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14, regardless of how much time has passed, if the individual:

(1) committed an action under paragraph (e) that resulted in death or involved sexual abuse, as defined in section 260E.03, subdivision 20;

(2) committed an act that resulted in a gross misdemeanor-level conviction for section 609.3451 (criminal sexual conduct in the fifth degree);

(3) committed an act against or involving a minor that resulted in a felony-level conviction for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree); or

(4) committed an act that resulted in a misdemeanor or gross misdemeanor-level conviction for section 617.293 (dissemination and display of harmful materials to minors).

(c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting~~,~~:

(1) an individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b); or

(2) when an individual is a relative of the child in foster care, an individual is disqualified under section 245C.14 if fewer than seven years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than seven years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b).

(d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than five years have

passed since a felony-level violation for sections: 152.021 (controlled substance crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing controlled substances across state borders); 152.0262, subdivision 1, paragraph (b) (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia; prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while impaired); 243.166 (violation of predatory offender registration requirements); 609.2113 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn child); 609.221 (assault in the first degree); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

(e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a background study affiliated with a licensed family child foster care license, an individual is disqualified under section 245C.14 if fewer than five years have passed since:

(1) a felony-level violation for an act not against or involving a minor that constitutes: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the fifth degree);

(2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under chapter 260E or section 626.557 and meet the definition of serious maltreatment or recurring maltreatment;

(5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

(6) committing an act against or involving a minor that resulted in a misdemeanor-level violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) Notwithstanding paragraph (f), for purposes of paragraph (d), the disqualification begins from the date of the alleged violation when the individual is a relative of the child in foster care.

(h) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

~~(h)~~ (i) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

Sec. 9. Minnesota Statutes 2024, section 260.65, is amended to read:

260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care~~,~~ and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African

American or disproportionately represented child temporarily or permanently, the court shall order ~~that~~ the child ~~be placed in~~ into the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being ~~placed with the~~ ordered into the home of a noncustodial or nonadjudicated parent.

(c) The relative search, notice, engagement, and placement consideration requirements under section 260C.221 apply under this act.

Sec. 10. Minnesota Statutes 2024, section 260.66, subdivision 1, is amended to read:

Subdivision 1. **Emergency removal or placement permitted.** Nothing in this section shall be construed to prevent the emergency removal of an African American or a disproportionately represented ~~child's parent or custodian~~ child or the emergency placement of the child in a foster setting in order to prevent imminent physical damage or harm to the child.

Sec. 11. Minnesota Statutes 2024, section 260.691, subdivision 1, is amended to read:

Subdivision 1. **Establishment and duties.** (a) The African American Child and Family Well-Being Advisory Council is established for the Department of Children, Youth, and Families.

(b) The council shall consist of 31 members appointed by the commissioner and must include representatives with lived personal or professional experience within African American communities. Members may include but are not limited to youth who have exited the child welfare system; parents; legal custodians; relative and kinship caregivers or foster care providers; community service providers, advocates, and members; county and private social services agency case managers; representatives from faith-based institutions; academic professionals; a representative from the Council for Minnesotans of African Heritage; the Ombudsperson for African American Families; and other individuals with experience and knowledge of African American communities. Council members must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of council members are governed by section 15.059.

(c) The ~~African American Child Well-Being Advisory~~ council must:

(1) review annual reports related to African American children involved in the child welfare system. These reports may include but are not limited to the maltreatment, out-of-home placement, and permanency of African American children;

(2) assist with and make recommendations to the commissioner for developing strategies to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote culturally appropriate foster care and shelter or facility placement decisions and settings for African American children in need of out-of-home placement, ensure timely achievement of permanency, and improve child welfare outcomes for African American children and their families;

(3) review summary reports on targeted case reviews prepared by the commissioner to ensure that responsible social services agencies meet the needs of African American children and their families. Based on data collected from those reviews, the council shall assist the commissioner with

developing strategies needed to improve any identified child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency for African American children;

(4) ~~assist the Cultural and Ethnic Communities Leadership Council with making~~ make recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial disproportionality and disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Sec. 12. Minnesota Statutes 2024, section 260.692, is amended to read:

260.692 AFRICAN AMERICAN CHILD AND FAMILY WELL-BEING UNIT.

Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing and complying with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(3) monitor individual county and statewide disaggregated and nondisaggregated data to identify trends and patterns in child welfare outcomes, including but not limited to reporting, maltreatment, out-of-home placement, and permanency of African American children and develop strategies to address disproportionality and disparities in the child welfare system;

(4) develop and implement a system for conducting case reviews when the commissioner receives reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act or when requested by the parent or custodian of an African American child. Case reviews may include but are not limited to a review of placement prevention efforts, safety planning, case planning and service provision by the responsible social services agency, relative placement consideration, and permanency planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child and Family Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Subd. 2. **Case reviews.** (a) The African American Child and Family Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.

(b) The reviews under this subdivision must be conducted using a random sampling of representative child welfare cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child welfare cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child and Family Well-Being Advisory Council, and offering case consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child and Family Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child and Family Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child and Family Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating disparity and disproportionality for African American children.

Sec. 13. Minnesota Statutes 2024, section 260C.001, subdivision 2, is amended to read:

Subd. 2. **Juvenile protection proceedings.** (a) The paramount consideration in all juvenile protection proceedings is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile protection proceedings is:

(1) to secure for each child under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures that protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian or the child, when the child is over age 18, and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201; 260C.325; or 260C.515;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child;

(6) to ensure that when the child is removed, the child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) foster care licensed under chapter 245A; and

(7) to ensure appropriate permanency planning for children in foster care including:

(i) unless reunification is not required under section 260.012, developing a permanency plan for the child that includes a primary plan for reunification with the child's parent or guardian and a secondary plan for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner;

(ii) identifying, locating, and assessing both parents of the child as soon as possible and offering reunification services to both parents of the child as required under sections 260.012 and 260C.219;

(iii) inquiring about the child's heritage, including the child's Tribal lineage pursuant to section 260.761, and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10;

~~(iii)~~ (iv) identifying, locating, and notifying relatives of both parents of the child according to section 260C.221;

~~(iv)~~ (v) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

~~(v)~~ (vi) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Sec. 14. Minnesota Statutes 2024, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** (a) "Habitual truant" means a child under the age of 17 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.

(b) For the purposes of educational neglect under section 260C.163, subdivision 11, habitual truant includes a child under 12 years of age who has been absent from school for seven school days without lawful excuse where the presumption of educational neglect is rebutted based on a showing by clear and convincing evidence that the child's absence is not due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws.

Sec. 15. Minnesota Statutes 2024, section 260C.150, subdivision 3, is amended to read:

Subd. 3. **Identifying parents of child; diligent efforts; data.** (a) The responsible social services agency shall make diligent efforts to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and to identify and locate both parents of any child who is the subject of proceedings under this chapter. Diligent efforts include:

(1) asking the custodial or known parent to identify any nonresident parent of the child and provide information that can be used to verify the nonresident parent's identity including the dates and locations of marriages and divorces; dates and locations of any legal proceedings regarding paternity; date and place of the child's birth; nonresident parent's full legal name; nonresident parent's date of birth, or if the nonresident parent's date of birth is unknown, an approximate age; the nonresident parent's Social Security number; the nonresident parent's whereabouts including last known whereabouts; and the whereabouts of relatives of the nonresident parent. For purposes of this subdivision, "nonresident parent" means a parent who does not reside in the same household as the child or did not reside in the same household as the child at the time the child was removed when the child is in foster care;

(2) obtaining information that will identify and locate the nonresident parent from the county and state of Minnesota child support enforcement information system;

(3) requesting a search of the Minnesota Fathers' Adoption Registry 30 days after the child's birth; and

(4) using any other reasonable means to identify and locate the nonresident parent.

(b) The agency may disclose data which is otherwise private under section 13.46 or chapter 260E in order to carry out its duties under this subdivision.

(c) Upon the filing of a petition alleging the child to be in need of protection or services, the responsible social services agency may contact a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth. The social service agency may consider a putative father for the day-to-day care of the child under section 260C.219 if the putative father cooperates with genetic testing and there is a positive test result under section 257.62, subdivision 5. Nothing in this paragraph:

(1) relieves a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth of the duty to cooperate with paternity establishment proceedings under section 260C.219;

(2) gives a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth the right to notice under section 260C.151 unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7); or

(3) establishes a right to assert an interest in the child in a termination of parental rights proceeding contrary to section 259.52, subdivision 6, unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7).

Sec. 16. Minnesota Statutes 2024, section 260C.202, subdivision 2, is amended to read:

Subd. 2. **Court review for a child placed in foster care.** (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home.

(b) This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, is governed by section 260C.607.

(c) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(d) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section 260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221.

(e) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

(f) When the court transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

~~(g) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under section 260C.203.~~

Sec. 17. Minnesota Statutes 2024, section 260C.204, is amended to read:

260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER CARE FOR SIX MONTHS.

(a) When a child continues in placement out of the home of the parent or guardian from whom the child was removed, no later than six months after the child's placement the court shall conduct a permanency progress hearing to review:

(1) the progress of the case, the parent's progress on the case plan or out-of-home placement plan, whichever is applicable;

(2) the agency's reasonable, or in the case of an Indian child, active efforts for reunification and its provision of services;

(3) the agency's reasonable efforts to finalize the permanent plan for the child under section 260.012, paragraph (e), and to make a placement as required under section 260C.212, subdivision 2, in a home that will commit to being the legally permanent family for the child in the event the child cannot return home according to the timelines in this section; and

(4) in the case of an Indian child, active efforts to prevent the breakup of the Indian family and to make a placement according to the placement preferences under United States Code, title 25, chapter 21, section 1915.

(b) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(c) The court shall ensure that notice of the hearing is sent to any relative who:

(1) responded to the agency's notice provided under section 260C.221, indicating an interest in participating in planning for the child or being a permanency resource for the child and who has kept the court apprised of the relative's address; or

(2) asked to be notified of court proceedings regarding the child as is permitted in section 260C.152, subdivision 5.

(d)(1) If the parent or guardian has maintained contact with the child and is complying with the court-ordered out-of-home placement plan, and if the child would benefit from reunification with the parent, the court may either:

(i) return the child home, if the conditions that led to the out-of-home placement have been sufficiently mitigated that it is safe and in the child's best interests to return home; or

(ii) continue the matter up to a total of six additional months. If the child has not returned home by the end of the additional six months, the court must conduct a hearing according to sections 260C.503 to 260C.521.

(2) If the court determines that the parent or guardian is not complying, is not making progress with or engaging with services in the out-of-home placement plan, or is not maintaining regular contact with the child as outlined in the visitation plan required as part of the out-of-home placement plan under section 260C.212, the court may order the responsible social services agency:

(i) to develop a plan for legally permanent placement of the child away from the parent;

(ii) to consider, identify, recruit, and support one or more permanency resources from the child's relatives and foster parent, consistent with clause (3) and section 260C.212, subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot be returned to the parent. Any relative or the child's foster parent may ask the court to order the agency to consider them for

permanent placement of the child in the event the child cannot be returned to the parent. A relative or foster parent who wants to be considered under this item shall cooperate with the background study required under section 245C.08, if the individual has not already done so, and with the home study process required under chapter 142B for providing child foster care and for adoption under section 259.41. The home study referred to in this item shall be a single-home study in the form required by the commissioner of children, youth, and families or similar study required by the individual's state of residence when the subject of the study is not a resident of Minnesota. The court may order the responsible social services agency to make a referral under the Interstate Compact on the Placement of Children when necessary to obtain a home study for an individual who wants to be considered for transfer of permanent legal and physical custody or adoption of the child; and

(iii) to file a petition to support an order for the legally permanent placement plan.

(3) Consistent with section 260C.223, subdivision 2, paragraph (b), the responsible social services agency must not define a foster family as the permanent home for a child until:

(i) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(ii) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(iii) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

(e) Following the review under this section:

(1) if the court has either returned the child home or continued the matter up to a total of six additional months, the agency shall continue to provide services to support the child's return home or to make reasonable efforts to achieve reunification of the child and the parent as ordered by the court under an approved case plan;

(2) if the court orders the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the pleadings; or

(3) if the court orders the agency to file a termination of parental rights, unless the county attorney can show cause why a termination of parental rights petition should not be filed, a petition for termination of parental rights shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the petition.

Sec. 18. Minnesota Statutes 2024, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** ~~(a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.~~

~~(b)~~ (a) An out-of-home placement plan means a written document individualized to the needs of the child and the child's parents or guardians that is prepared by the responsible social services agency using a form developed by the commissioner. The plan must be completed jointly with the child's parents or guardians and in consultation with the child's guardian ad litem; the child's tribe, if the child is an Indian child; the child's foster parent or representative of the foster care facility; and, when appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards. The responsible social services agency may reject an individual selected by the child if the agency has good cause to believe that the individual would not act in the best interest of the child. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. For a child 18 years of age or older, the responsible social services agency shall involve the child and the child's parents as appropriate. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(b) Before an out-of-home placement plan is signed by the parent or parents or guardian of the child, the responsible social services agency must provide the parent or parents or guardian with a one- to two-page summary of the plan using a form developed by the commissioner. The out-of-home placement plan summary must clearly summarize the plan's contents under paragraph (d) and list the requirements and responsibilities for the parent or parents or guardian using plain language. The summary must be updated and provided to the parent or parents or guardian when the out-of-home placement plan is updated under subdivision 1a.

(c) An out-of-home placement plan summary shall be prepared within 30 days after any child is placed in foster care by court order or voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D. An out-of-home placement plan shall be prepared within 60 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

~~(c)~~ (d) The out-of-home placement plan shall be explained by the responsible social services agency to all persons involved in the plan's implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like setting available that is in close proximity to the home of the child's parents or guardians when the case plan goal is reunification; and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) a description of the services offered and provided to prevent removal of the child from the home;

~~(2)~~ (3) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents that necessitated removal of the child from home and the services offered and provided to support the changes the parent or parents must make for the child to safely return home~~;~~

~~(3) a description of the services offered and provided to prevent removal of the child from the home~~ and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize permanency through either:

(i) adoption as the permanency plan for the child through reasonable efforts to place the child for adoption pursuant to section 260C.605. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child and child-specific recruitment efforts such as a relative search, consideration of relatives for adoptive placement, and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b); or

~~(7) when a child cannot return to or be in the care of either parent, documentation of steps to finalize~~ (ii) the transfer of permanent legal and physical custody to a relative as the permanency plan for the child. This documentation must support the requirements of the kinship placement agreement under section 142A.605 and must include the reasonable efforts used to determine that it is not appropriate for the child to return home or be adopted, and reasons why permanent placement with a relative through a Northstar kinship assistance arrangement is in the child's best interest; how the child meets the eligibility requirements for Northstar kinship assistance payments; agency efforts to discuss adoption with the child's relative foster parent and reasons why the relative foster parent

chose not to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or parents the permanent transfer of permanent legal and physical custody or the reasons why these efforts were not made;

~~(8)~~ (7) efforts to ensure the child's educational stability while in foster care for a child who attained the minimum age for compulsory school attendance under state law and is enrolled full time in elementary or secondary school, or instructed in elementary or secondary education at home, or instructed in an independent study elementary or secondary program, or incapable of attending school on a full-time basis due to a medical condition that is documented and supported by regularly updated information in the child's case plan. Educational stability efforts include:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability and attendance; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

~~(9)~~ (8) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

~~(10)~~ (9) the efforts by the responsible social services agency to ~~ensure~~ support the child's well-being by ensuring the oversight and continuity of health care services for the foster child and documenting their health record, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, shall be monitored and treated while the child is in foster care;

(iii) how the child's medical information shall be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals shall be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; ~~and~~

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance; and

~~(11) the health records of the child including~~ (viii) information available regarding:

~~(i)~~ (A) the names and addresses of the child's health care and dental care providers;

~~(ii)~~ (B) a record of the child's immunizations;

~~(iii)~~ (C) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

~~(iv)~~ (D) the child's medications; and

~~(v)~~ (E) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

~~(12)~~ (10) an independent living plan for a child 14 years of age or older, developed in consultation with the child. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards in subdivision 14. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the responsible social services agency to ensure that the child annually receives, at no cost to the child, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

(v) planning for housing;

(vi) social and recreational skills;

(vii) establishing and maintaining connections with the child's family and community; and

(viii) regular opportunities to engage in age-appropriate or developmentally appropriate activities typical for the child's age group, taking into consideration the capacities of the individual child;

~~(13)~~ (11) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes;

~~(14)~~ (12) for a child 14 years of age or older, a signed acknowledgment that describes the child's rights regarding education, health care, visitation, safety and protection from exploitation, and court participation; receipt of the documents identified in section 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the rights were explained in an age-appropriate manner to the child; and

~~(15)~~ (13) for a child placed in a qualified residential treatment program, the plan must include the requirements in section 260C.708.

~~(d)~~ (e) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

~~(e) Before an out-of-home placement plan is signed by the parent or parents or guardian of the child, the responsible social services agency must provide the parent or parents or guardian with a one- to two-page summary of the plan using a form developed by the commissioner. The out-of-home placement plan summary must clearly summarize the plan's contents under paragraph (c) and list the requirements and responsibilities for the parent or parents or guardian using plain language. The summary must be updated and provided to the parent or parents or guardian when the out-of-home placement plan is updated under subdivision 1a.~~

(f) After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

(g) Upon the child's discharge from foster care, the responsible social services agency must provide the child's parent, adoptive parent, or permanent legal and physical custodian, and the child, if the child is 14 years of age or older, with a current copy of the child's health and education record. If a child meets the conditions in subdivision 15, paragraph (b), the agency must also provide the child with the child's social and medical history. The responsible social services agency may give a copy of the child's health and education record and social and medical history to a child who is younger than 14 years of age, if it is appropriate and if subdivision 15, paragraph (b), applies.

Sec. 19. Minnesota Statutes 2024, section 260C.212, subdivision 1a, is amended to read:

Subd. 1a. **Out-of-home placement plan update.** (a) Within 30 days of placing the child in foster care, the agency must complete the child's out-of-home placement plan summary and file it with the court. Within 60 days of placing the child in foster care, the agency must file the child's initial out-of-home placement plan with the court. After filing the child's ~~initial~~ out-of-home placement plan, the agency shall update and file the child's out-of-home placement plan with the court as follows:

(1) when the agency moves a child to a different foster care setting, the agency shall inform the court within 30 days of the child's placement change or court-ordered trial home visit. The agency must file the child's updated out-of-home placement plan summary and out-of-home placement plan with the court at the next required review hearing;

(2) when the agency places a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, or moves a child from one qualified residential treatment program to a different qualified residential treatment program, the agency must update the child's out-of-home placement plan within 60 days. To meet the requirements of section 260C.708, the agency must file the child's out-of-home placement plan along with the agency's report seeking the court's approval of the child's placement at a qualified residential treatment program under section 260C.71. After the court issues an order, the agency must update the child's out-of-home placement plan to document the court's approval or disapproval of the child's placement in a qualified residential treatment program;

(3) when the agency places a child with the child's parent in a licensed residential family-based substance use disorder treatment program under section 260C.190, the agency must identify the treatment program where the child will be placed in the child's out-of-home placement plan prior to the child's placement. The agency must file the child's out-of-home placement plan summary and out-of-home placement plan with the court at the next required review hearing; and

(4) under sections 260C.227 and 260C.521, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan and file the child's out-of-home placement plan with the court.

(b) When none of the items in paragraph (a) apply, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan no later than 180 days after the child's initial placement and every six months thereafter, consistent with section 260C.203, paragraph (a).

Sec. 20. Minnesota Statutes 2024, section 260C.221, subdivision 2, is amended to read:

Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written notice to a child's relatives. In the child's case record, the agency must document providing the required notice to each of the child's relatives. The responsible social services agency must notify relatives:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, the order of placement that the agency will consider under section 260C.212, subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204, until the relative provides a current address to the responsible social services agency and the court. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child shall not affect whether the relative is considered for placement of, or as a permanency resource for, the child with that relative at any time in the case, and shall not be the sole basis for the court to rule out the relative as the child's placement or permanency resource;

(3) that the relative may participate in the care and planning for the child, as specified in subdivision 3, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision;

(4) of the family foster care licensing and adoption home study requirements, including:

(i) how to complete an application ~~and~~;

(ii) how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 142B.10 ~~and~~;

(iii) supports that are available for relatives and children who reside in a family foster home, including how to access respite care, strategies for leveraging natural supports for the child and family, and ways to include resource or substitute caregivers in the child's case plan; and

(iv) the relative's choice between county or private agency and services provided by that agency under section 142B.30, depending on funding available;

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right to be heard by the court as required under section 260C.152, subdivision 5;

(6) that regardless of the relative's response to the notice sent under this subdivision, the agency is required to establish permanency for a child, including planning for alternative permanency options if the agency's reunification efforts fail or are not required; ~~and~~

(7) that by responding to the notice, a relative may receive information about participating in a child's family and permanency team if the child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d; and

(8) information advising a relative on access to legal services and support.

(b) The responsible social services agency shall send the notice required under paragraph (a) to relatives who become known to the responsible social services agency, except for relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph (b). The responsible social services agency shall continue to send notice to relatives notwithstanding a court's finding that the agency has made reasonable efforts to conduct a relative search.

(c) The responsible social services agency is not required to send the notice under paragraph (a) to a relative who becomes known to the agency after an adoption placement agreement has been fully executed under section 260C.613, subdivision 1. If the relative wishes to be considered for adoptive placement of the child, the agency shall inform the relative of the relative's ability to file a motion for an order for adoptive placement under section 260C.607, subdivision 6.

Sec. 21. Minnesota Statutes 2024, section 260C.223, subdivision 1, is amended to read:

Subdivision 1. **Program; goals.** (a) The commissioner of children, youth, and families shall establish a program for concurrent permanency planning for child protection services.

(b) Concurrent permanency planning involves a planning process for children who are placed out of the home of their parents pursuant to a court order, or who have been voluntarily placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally disabled under section 260C.212, subdivision 9. The responsible social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of

the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and

(3) ~~develop a group of families~~ establish a foster parent for a child who will work towards reunification and also serve as a permanent ~~families~~ family for children.

Sec. 22. Minnesota Statutes 2024, section 260C.223, subdivision 2, is amended to read:

Subd. 2. **Development of guidelines and protocols.** (a) The commissioner shall establish guidelines and protocols for social services agencies involved in concurrent permanency planning, including criteria for conducting concurrent permanency planning based on relevant factors such as:

(1) age of the child and duration of out-of-home placement;

(2) prognosis for successful reunification with parents;

(3) availability of relatives and other concerned individuals to provide support or a permanent placement for the child; and

(4) special needs of the child and other factors affecting the child's best interests.

(b) In developing the guidelines and protocols, the commissioner shall consult with interest groups within the child protection system, including child protection workers, child protection advocates, county attorneys, law enforcement, community service organizations, the councils of color, and the ombudsperson for families.

(c) The responsible social services agency must not make a foster family the permanent home for a child until:

(1) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(2) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(3) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

Sec. 23. Minnesota Statutes 2024, section 260C.329, subdivision 8, is amended to read:

Subd. 8. **Hearing.** The court may grant the petition ordering the reestablishment of the legal parent and child relationship only if it finds by clear and convincing evidence that:

(1) reestablishment of the legal parent and child relationship is in the child's best interests;

(2) the child ~~has~~ is not ~~been~~ currently adopted;

(3) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2;

(4) at least 24 months have elapsed following a final order terminating parental rights and the child remains in foster care;

(5) the child desires to reside with the parent;

(6) the parent has corrected the conditions that led to an order terminating parental rights; and

(7) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child.

Sec. 24. Minnesota Statutes 2024, section 260C.452, subdivision 4, is amended to read:

Subd. 4. **Administrative or court review of placements.** (a) When the youth is 14 years of age or older, the court, in consultation with the youth, shall review the youth's independent living plan according to section 260C.203, paragraph (d).

(b) The responsible social services agency shall file a copy of the notification of foster care benefits for a youth who is 18 years of age or older according to section 260C.451, subdivision 1, with the court. If the responsible social services agency does not file the notice by the time the youth is 17-1/2 years of age, the court shall require the responsible social services agency to file the notice.

(c) When a youth is 18 years of age or older, the court shall ensure that the responsible social services agency assists the youth in obtaining the following documents before the youth leaves foster care: a Social Security card; an official or certified copy of the youth's birth certificate; a state identification card or driver's license, Tribal enrollment identification card, ~~green~~ permanent resident card, or school visa; health insurance information; the youth's school, medical, and dental records; a contact list of the youth's medical, dental, and mental health providers; and contact information for the youth's siblings, if the siblings are in foster care.

(d) For a youth who will be discharged from foster care at 18 years of age or older because the youth is not eligible for extended foster care benefits or chooses to leave foster care, the responsible social services agency must develop a personalized transition plan as directed by the youth during the 180-day period immediately prior to the expected date of discharge. The transition plan must be as detailed as the youth elects and include specific options, including but not limited to:

(1) affordable housing with necessary supports that does not include a homeless shelter;

(2) health insurance, including eligibility for medical assistance as defined in section 256B.055, subdivision 17;

(3) education, including application to the Education and Training Voucher Program;

(4) local opportunities for mentors and continuing support services;

(5) workforce supports and employment services;

(6) a copy of the youth's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report, at no cost to the youth;

(7) information on executing a health care directive under chapter 145C and on the importance of designating another individual to make health care decisions on behalf of the youth if the youth becomes unable to participate in decisions;

(8) appropriate contact information through 21 years of age if the youth needs information or help dealing with a crisis situation; and

(9) official documentation that the youth was previously in foster care.

Sec. 25. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (8), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

(7) chronic and severe use of alcohol or a controlled substance by a person responsible for the child's care that adversely affects the child's basic needs and safety; or

(8) emotional harm from a pattern of behavior that contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior,

emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(b) Nothing in this chapter shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care.

(c) This chapter does not impose upon persons not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care.

(d) Nothing in this chapter shall be construed to mean that a child who has a mental, physical, or emotional condition is neglected solely because the child remains in an emergency department or hospital setting because services, including residential treatment, that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family.

Sec. 26. Minnesota Statutes 2024, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. The local welfare agency or agency responsible for assessing or investigating the report shall ask the reporter if the reporter is aware of the child or family heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

Sec. 27. Minnesota Statutes 2024, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any assessment or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's family heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

Sec. 28. Minnesota Statutes 2024, section 260E.24, subdivision 1, is amended to read:

Subdivision 1. **Timing.** The local welfare agency shall conclude the family assessment, the noncaregiver human trafficking assessment, or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion

of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

Sec. 29. Minnesota Statutes 2024, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver human trafficking assessment.** After conducting a family assessment or a noncaregiver human trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment or noncaregiver human trafficking assessment in the child's or family's case notes.

Sec. 30. **[260E.291] REPORTING OF SCHOOL ATTENDANCE CONCERNS.**

Subdivision 1. **Reports required.** (a) A person mandated to report under this chapter must immediately report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(b) Any person may voluntarily report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(c) An oral report must be made immediately by telephone or otherwise. An oral report made by a person required to report under paragraph (a) must be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. A report must sufficiently identify the child and the child's parent or guardian, the actual or estimated number of the child's unexcused absences in the current school year, the efforts made by school officials to resolve attendance concerns with the family, and the name and address of the reporter. A voluntary reporter under paragraph (b) may refuse to provide their name or address if the report is otherwise sufficient, and such a report must be accepted by the local welfare agency.

Subd. 2. **Local welfare agency.** (a) The local welfare agency or partner designated to provide child welfare services must provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. When providing a child welfare response under this paragraph, the local welfare agency or designated partner must offer services to the child and the child's family to address school attendance concerns or may partner with a county attorney's office, a community-based organization, or other community partner to provide the services. The services must be culturally and linguistically appropriate and tailored to the needs of the child and the child's family. This section is subject to all requirements of the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835, and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under sections 260.61 to 260.693.

(b) If the child's unexcused absences continue and the family has not engaged with services under paragraph (a) after the local welfare agency, Tribal social services agency, or partner designated to provide child welfare services has made multiple varied attempts to engage the child's family, a

report of educational neglect must be made regardless of the number of unexcused absences the child has accrued. The local welfare agency must determine the response path assignment pursuant to section 260E.17 and may proceed with the process outlined in section 260C.141.

Sec. 31. **REVISOR INSTRUCTION.**

The revisor of statutes shall change paragraphs to subdivisions, clauses to paragraphs, and items to clauses in Minnesota Statutes, sections 260C.203 and 260C.204. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes. The revisor of statutes must correct any statutory cross-references consistent with the changes in this section.

ARTICLE 19

EARLY CARE AND LEARNING

Section 1. Minnesota Statutes 2024, section 142A.76, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The Office of Restorative Practices is established within the Department of ~~Public Safety~~ Children, Youth, and Families. The Office of Restorative Practices shall have the powers and duties described in this section.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 3, is amended to read:

Subd. 3. **Director; other staff.** (a) The commissioner of ~~public safety~~ children, youth, and families shall appoint a director of the Office of Restorative Practices. The director should have qualifications that include or are similar to the following:

(1) experience in the many facets of restorative justice and practices such as peacemaking circles, sentencing circles, community conferencing, community panels, and family group decision making;

(2) experience in victim-centered and trauma-informed practices;

(3) knowledge of the range of social problems that bring children and families to points of crisis such as poverty, racism, unemployment, and unequal opportunity;

(4) knowledge of the many ways youth become involved in other systems such as truancy, juvenile delinquency, and child protection; and

(5) understanding of educational barriers.

(b) The director shall hire additional staff to perform the duties of the Office of Restorative Practices. The staff shall be in the classified service of the state and their compensation shall be established pursuant to chapter 43A.

Sec. 3. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships ~~up to $10,000 per year~~ in amounts per year consistent with the national TEACH early childhood program requirements for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of $250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed or certified early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, employed by a Head Start program, or an employee in a school-age program exempt from licensing under section 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute at least five percent of the total scholarship. Scholarship recipients who ~~are self-employed~~ work in licensed family child care under Minnesota Rules, chapter 9502, must contribute ~~20~~ at least ten percent of the total scholarship and are not required to receive employer sponsorship or employer match.

Sec. 4. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

(1) a family meets the eligibility redetermination requirements if a complete redetermination form and all required verifications are received within 30 days after the date the form was due;

(2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday, the 30-day time period is extended to include the next day that is not a Saturday, Sunday, or holiday. Assistance shall be payable retroactively from the redetermination due date;

(3) for a family where at least one parent is younger than 21 years of age, does not have a high school degree or commissioner of education-selected high school equivalency certification, and is a student in a school district or another similar program that provides or arranges for child care, parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility may be deferred beyond 12 months, to the end of the student's school year; ~~and~~

(4) starting May 25, 2026, if a new eligible child is added to the family and has care authorized, the redetermination of eligibility must be extended 12 months from the eligible child's arrival date; and

~~(4)~~ (5) a family and the family's providers must be notified that the family's redetermination is due at least 45 days before the end of the family's 12-month eligibility period.

Sec. 5. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

Subdivision 1. **General authorization requirements.** (a) When authorizing the amount of child care, the county agency must consider the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in an authorized activity.

(b) Care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule when:

(1) the family requests care from more than one provider per child;

(2) the family requests care from a legal nonlicensed provider; or

(3) an applicant or participant is employed by any child care center that is licensed by the Department of Children, Youth, and Families or has been identified as a high-risk Medicaid-enrolled provider.

This paragraph expires March 2, 2026.

(c) If the family remains eligible at redetermination, a new authorization with fewer hours, the same hours, or increased hours may be determined.

Sec. 6. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 142E.12 for employment, education, or an MFIP employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 142E.12, subdivision 3, or has an MFIP employment plan; or

(2) when the participant's work hours are reduced or a participant temporarily stops working or attending an approved education program. Temporary changes include, but are not limited to, a medical leave, seasonal employment fluctuations, or a school break between semesters.

(b) The county may increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities.

(c) The county may reduce the amount of child care authorized if a parent requests a reduction or because of a change in:

(1) the child's school schedule;

(2) the custody schedule; or

(3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2, 2026.

(e) When a child reaches 13 years of age or a child with a disability reaches 15 years of age, the amount of child care authorized shall continue at the same number of hours or more hours until redetermination.

Sec. 7. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 142E.12, subdivision 3, or have an MFIP employment plan. Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 142E.12. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

EFFECTIVE DATE. This section is effective May 25, 2026.

Sec. 8. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the state median income, except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
~~0-74.99%~~ 0-99.99% of federal poverty guidelines	$0/biweekly
~~75.00-99.99% of federal poverty guidelines~~	~~$2/biweekly~~
100.00% of federal poverty guidelines-~~27.72%~~ 27.99%	~~2.61%~~ 2.6%
~~27.73-29.04%~~	~~2.61%~~
~~29.05-30.36%~~	~~2.61%~~
~~30.37-31.68%~~	~~2.61%~~

~~31.69-33.00%~~	~~2.91%~~
~~33.01-34.32%~~	~~2.91%~~
~~34.33-35.65%~~	~~2.91%~~
~~35.66-36.96%~~	~~2.91%~~
~~36.97-38.29%~~	~~3.21%~~
~~38.30-39.61%~~	~~3.21%~~
~~39.62-40.93%~~	~~3.21%~~
~~40.94-42.25%~~	~~3.84%~~
~~42.26-43.57%~~	~~3.84%~~
~~43.58-44.89%~~	~~4.46%~~
~~44.90-46.21%~~	~~4.76%~~
~~46.22-47.53%~~	~~5.05%~~
~~47.54-48.85%~~	~~5.65%~~
~~48.86-50.17%~~	~~5.95%~~
~~50.18-51.49%~~	~~6.24%~~
~~51.50-52.81%~~	~~6.84%~~
~~52.82-54.13%~~	~~7.58%~~
~~54.14-55.45%~~	~~8.33%~~
~~55.46-56.77%~~	~~9.20%~~
~~56.78-58.09%~~	~~10.07%~~
~~58.10-59.41%~~	~~10.94%~~
~~59.42-60.73%~~	~~11.55%~~
~~60.74-62.06%~~	~~12.16%~~
~~62.07-63.38%~~	~~12.77%~~
~~63.39-64.70%~~	~~13.38%~~
~~64.71-67.00%~~	~~14.00%~~
28.00-30.99%	2.6%
31.00-33.99%	2.6%
34.00-36.99%	2.9%
37.00-39.99%	3.2%
40.00-42.99%	3.8%
43.00-45.99%	4.4%
46.00-48.99%	5.0%
49.00-51.99%	5.6%
52.00-54.99%	6.2%
55.00-57.99%	6.8%
58.00-60.99%	6.9%
61.00-63.99%	6.9%
64.00-67.00%	6.9%
Greater than 67.00%	ineligible

A family's biweekly co-payment fee is the fixed percentage established for the income range multiplied by the ~~highest~~ lowest possible income within that income range.

EFFECTIVE DATE. This section is effective October 13, 2025.

Sec. 9. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the commissioner. The training documentation must have valid effective dates as of the date the registration request is submitted to the commissioner. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to the child they care for must complete two hours of training in caring for children approved by the commissioner.

~~(c)~~ (d) This subdivision only applies to legal nonlicensed family child care providers.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers receiving child care assistance payments must:

(1) keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; ~~and~~

(2) make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider~~.~~; and

(3) submit data on child enrollment and attendance in the form and manner specified by the commissioner.

(b) As a condition of payment, attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping off or picking up the child. The daily attendance records must be retained at the site where services are delivered for six years after the date of service.

(c) When the county or the commissioner knows or has reason to believe that a current or former provider has not complied with the record-keeping requirement in this subdivision:

(1) the commissioner may:

(i) deny or revoke a provider's authorization to receive child care assistance payments under section 142E.17, subdivision 9, paragraph (d);

(ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and 256.98; or

(iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section 142E.51; or

(2) a county or the commissioner may establish an attendance record overpayment under paragraph (d).

(d) To calculate an attendance record overpayment under this subdivision, the commissioner or county agency shall subtract the maximum daily rate from the total amount paid to a provider for each day that a child's attendance record is missing, unavailable, incomplete, inaccurate, or otherwise inadequate.

(e) The commissioner shall develop criteria for a county to determine an attendance record overpayment under this subdivision.

EFFECTIVE DATE. This section is effective June 22, 2026.

Sec. 11. Minnesota Statutes 2024, section 245.975, subdivision 1, is amended to read:

Subdivision 1. **Creation and appointment.** The Office of the Ombudsperson for Family Child Care Providers is hereby created. The governor shall appoint an ombudsperson in the unclassified service to assist family child care providers with licensing, compliance, and other issues facing family child care providers. The ombudsperson must be selected without regard to the person's political affiliation and must have been a licensed family child care provider for at least three years. The ombudsperson shall serve a term of four years, which may be renewed, and may be removed prior to the end of the term for just cause.

Sec. 12. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the commissioner of children, youth, and families must allocate additional basic sliding fee child care money for calendar years 2026 and 2027 to counties and Tribes to account for eliminating the schedule reporter designation in the child care assistance program. In allocating the additional money, the commissioner shall consider:

(1) the number of children who are in schedule reporter families; and

(2) the average basic sliding fee cost of care in the county or Tribe.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Sec. 15. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 124D.129, as Minnesota Statutes, section 142A.48. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 20

CHILDREN AND FAMILIES LICENSING POLICY

Section 1. Minnesota Statutes 2024, section 142B.10, subdivision 14, is amended to read:

Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 142B.11. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 11, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 245A within the past two years;

(3) had a license issued under this chapter or chapter 245A revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 245A is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 142B for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(l) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 142B.12 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Child foster care license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

(n) The commissioner of children, youth, and families shall coordinate and share data with the commissioner of human services to enforce this section.

Sec. 2. Minnesota Statutes 2024, section 142B.16, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b)~~ (c) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(d) The commissioner must not publicly post the correction order for licensed child care centers or licensed family child care providers on the department's website until:

(1) after the 20-calendar-day period for requesting reconsideration; or

(2) if the applicant or license holder requested reconsideration, after the commissioner's disposition of a request for reconsideration is provided to the applicant or license holder.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 142B.171, subdivision 2, is amended to read:

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) references the specific law or rule violated; and

(3) explains remedies for correcting the violation.

~~(c) The commissioner shall not publicly publish documented technical assistance on the department's website.~~

Sec. 4. **[142B.181] POSTING LICENSING ACTIONS ON DEPARTMENT WEBSITE.**

(a) The commissioner must post a summary document for each licensing action issued to a licensed child care center and family child care provider on the Licensing Information Lookup public website maintained by the Department of Children, Youth, and Families. The commissioner must not post any communication, including letters, from the commissioner to the center or provider.

(b) The commissioner must remove a summary document from the Licensing Information Lookup public website within ten days of the length of time that the document is required to be posted under Code of Federal Regulations, title 45, section 98.33.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2024, section 142B.30, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 142B.10; to recommend denial of applicants under section 142B.15; to issue correction orders, to issue variances, and to recommend a conditional license under section 142B.16; or to recommend suspending or revoking a license or issuing a fine under section 142B.18, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care;

(2) child foster care maximum age requirement;

(3) variances regarding disqualified individuals;

(4) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(5) variances to section 142B.74 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

(b) The commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.

(c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(d) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(f) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(g) A child foster care license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 6. Minnesota Statutes 2024, section 142B.41, is amended by adding a subdivision to read:

Subd. 14. **Staff distribution.** Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, a child care aide in a licensed child care center may be substituted for a teacher during morning arrival and afternoon departure times if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. For a child care aide to be substituted for a teacher under this subdivision, the child care aide must:

(1) be 18 years of age or older;

(2) have been employed by the child care center for a minimum of 30 days; and

(3) have completed the training required under section 142B.65, including orientation training and the training required within the first 90 days of employment.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age ~~eight~~ nine in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 142B.65, subdivision 8, is amended to read:

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(d) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

(e) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 9. Training completed within the previous five years is transferable upon a staff person's change in employment to another child care center.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 142B.65, subdivision 9, is amended to read:

Subd. 9. **In-service training.** (a) A license holder must ensure that the center director, staff persons, substitutes, and unsupervised volunteers complete in-service training each calendar year.

(b) The center director and staff persons who work more than 20 hours per week must complete 24 hours of in-service training each calendar year. Staff persons who work 20 hours or less per week must complete 12 hours of in-service training each calendar year. Substitutes and unsupervised volunteers must complete at least two hours of training each year, and the training must include the requirements of paragraphs (d) to (g) ~~and do not otherwise have a minimum number of hours of training to complete~~.

(c) The number of in-service training hours may be prorated for ~~individuals~~ center directors and staff persons not employed for an entire year.

(d) Each year, in-service training must include:

(1) the center's procedures for maintaining health and safety according to section 142B.66 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according to Minnesota Rules, part 9503.0110;

(2) the reporting responsibilities under chapter 260E and Minnesota Rules, part 9503.0130;

(3) at least one-half hour of training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death as required under subdivision 6, if applicable; and

(4) at least one-half hour of training on the risk of abusive head trauma from shaking infants and young children as required under subdivision 7, if applicable.

(e) Each year, or when a change is made, whichever is more frequent, in-service training must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision 2; and (2) a child's individual child care program plan as required under Minnesota Rules, part 9503.0065, subpart 3.

(f) At least once every two calendar years, the in-service training must include:

(1) child development and learning training under subdivision 3;

(2) pediatric first aid that meets the requirements of subdivision 4;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5;

(4) cultural dynamics training to increase awareness of cultural differences; and

(5) disabilities training to increase awareness of differing abilities of children.

(g) At least once every five years, in-service training must include child passenger restraint training that meets the requirements of subdivision 8, if applicable.

(h) The remaining hours of the in-service training requirement must be met by completing training in the following content areas of the Minnesota Knowledge and Competency Framework:

(1) Content area I: child development and learning;

(2) Content area II: developmentally appropriate learning experiences;

(3) Content area III: relationships with families;

(4) Content area IV: assessment, evaluation, and individualization;

(5) Content area V: historical and contemporary development of early childhood education;

(6) Content area VI: professionalism;

(7) Content area VII: health, safety, and nutrition; and

(8) Content area VIII: application through clinical experiences.

(i) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(2) "Developmentally appropriate learning experiences" means creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, and promoting creative development.

(3) "Relationships with families" means training on building a positive, respectful relationship with the child's family.

(4) "Assessment, evaluation, and individualization" means training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Sec. 10. Minnesota Statutes 2024, section 142B.66, subdivision 3, is amended to read:

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to a child. The plan must be written on a form developed by the commissioner and must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a chronic medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train staff persons on the emergency plan at orientation, when changes are made to the plan, and at least once each calendar year. Training must be documented in each staff person's personnel file.

(c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.

(d) The license holder must review and update the emergency plan ~~annually~~ each calendar year. Documentation of the ~~annual~~ yearly emergency plan review shall be maintained in the program's administrative records.

(e) The license holder must include the emergency plan in the program's policies and procedures as specified under section 142B.10, subdivision 21. The license holder must provide a physical or electronic copy of the emergency plan to the child's parent or legal guardian upon enrollment.

(f) The relocation site and evacuation route must be posted in a visible place as part of the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140, subpart 21.

Sec. 11. Minnesota Statutes 2024, section 142B.70, subdivision 7, is amended to read:

Subd. 7. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Children, Youth, and Families that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 8.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 142B.70, subdivision 8, is amended to read:

Subd. 8. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each second adult caregiver must complete 16 hours of ongoing training each year. Repeat of topical training requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training in understanding how a child develops physically, cognitively, emotionally, and socially, and how a child learns as part of the child's family, culture, and community;

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A provider who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual 16-hour training requirement in paragraph (a). The provider may only count training instruction hours for the first instance in which they deliver a particular content-specific training during each licensing year. Hours counted as training instruction must be approved through the Develop data system with attendance verified on the trainer's individual learning record and must be in Knowledge and Competency Framework content area VII A (Establishing Healthy Practices) or B (Ensuring Safety).

(c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year must complete a minimum of one hour of training each calendar year, and the training must include the requirements in subdivisions 3, 4, 5, 6, and 9.

Sec. 13. Minnesota Statutes 2024, section 142C.06, is amended by adding a subdivision to read:

Subd. 4. **Requirement to post conditional certification.** Upon receipt of any order of conditional certification issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional certification by the certification holder, the certification holder shall post the order of conditional certification in a place that is conspicuous to the people receiving services and all visitors to the facility for the duration of the conditional certification. When the order of conditional certification is accompanied by a maltreatment investigation memorandum prepared under chapter 260E, the investigation memoranda must be posted with the order of conditional certification.

Sec. 14. Minnesota Statutes 2024, section 142C.11, subdivision 8, is amended to read:

Subd. 8. **Required policies.** A certified center must have written policies for health and safety items in subdivisions 1 to 6, 9, and 10.

Sec. 15. Minnesota Statutes 2024, section 142C.12, subdivision 1, is amended to read:

Subdivision 1. **First aid and cardiopulmonary resuscitation.** (a) Before having unsupervised direct contact with a child, but within 90 days after the first date of direct contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation (CPR) training, unless the training has been completed within the previous two calendar years. Staff must complete the pediatric first aid and pediatric CPR training at least every other calendar year and the center must document the training in the staff person's personnel record.

(b) Training completed under this subdivision may be used to meet the in-service training requirements under subdivision 6.

(c) Training must include CPR and techniques for providing immediate care to people experiencing life-threatening cardiac emergencies, choking, bleeding, fractures and sprains, head injuries, poisoning, and burns. Training developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines meets these requirements.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 142C.12, subdivision 6, is amended to read:

Subd. 6. **In-service training.** (a) The certified center must ensure that the director and all staff persons, including substitutes and unsupervised volunteers, are trained at least once each calendar year on health and safety requirements in this section and sections 142C.10, 142C.11, and 142C.13.

(b) The director and each staff person, not including substitutes, must complete at least six hours of training each calendar year. Substitutes must complete at least two hours of training each calendar

year. Training required under paragraph (a) may be used toward the hourly training requirements of this subdivision.

Sec. 17. Minnesota Statutes 2024, section 245A.18, subdivision 1, is amended to read:

Subdivision 1. **Seat belt and child passenger restraint system use.** All license holders that transport children must comply with the requirements of section 142B.51, subdivision 1, and license holders that transport a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in section 142B.51, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 18. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to read:

Sec. 81. **FAMILY CHILD CARE REGULATION MODERNIZATION.**

(a) The commissioner of ~~human services shall~~ children, youth, and families must contract with an experienced and independent organization or individual consultant to conduct the work outlined in this section. If practicable, the commissioner must contract with the National Association for Regulatory Administration.

(b) The consultant must develop a proposal for updated family child care licensing standards and solicit input from stakeholders as described in paragraph (d). The proposed new standards must protect the health and safety of children in family child care programs and be child centered, family friendly, and fair to providers.

(c) The consultant must work with stakeholders and the Department of Children, Youth, and Families, as described in paragraph (d), to develop a proposal for a risk-based model for monitoring compliance with family child care licensing standards~~, grounded in national regulatory best practices~~. Violations in the new model must be weighted to reflect the potential risk they pose to children's health and safety, and licensing sanctions must be tied to the potential risk. ~~The proposed new model must protect the health and safety of children in family child care programs and be child-centered, family-friendly, and fair to providers.~~

(d) The consultant ~~shall~~ must develop and implement a stakeholder engagement process that solicits input from parents, licensed family child care providers, county licensors, staff of the Department of ~~Human Services~~ Children, Youth, and Families, and experts in child development about licensing standards, tiers for violations of the standards based on the potential risk of harm that each violation poses, and licensing sanctions for each tier. The consultant and commissioner must engage with working groups of licensed family child care providers at least five times throughout the stakeholder engagement process, and include both daytime and evening engagement opportunities as needed.

(e) The consultant shall solicit input from parents, licensed family child care providers, county licensors, and staff of the Department of ~~Human Services~~ Children, Youth, and Families about which family child care providers should be eligible for abbreviated inspections that predict compliance with other licensing standards for licensed family child care providers using key indicators previously identified by an empirically based statistical methodology developed by the National Association for Regulatory Administration and the Research Institute for Key Indicators.

(f) No later than ~~February~~ December 1, ~~2024~~ 2025, the commissioner ~~shall~~ must submit a report and proposed legislation required to implement the new licensing model and the new licensing standards to the chairs and ranking minority members of the legislative committees with jurisdiction over child care regulation. Throughout the drafting of the report and proposed legislation required under this paragraph, the commissioner must engage providers whose primary language is not English to have those providers review translated drafts of the report and written materials provided at engagement sessions to provide feedback on the draft standards. This engagement must occur within focus groups or meetings that are held at convenient times for the providers, including both daytime and evening sessions.

(g) The proposals developed under paragraphs (b) and (c); any presentations, summary documents, engagement invitations, surveys, and drafts of the report used in the stakeholder engagement process under paragraph (d) or when soliciting input under paragraph (e); and the report required under paragraph (f) must also be made available in Hmong, Somali, and Spanish.

(h) The updated family child care licensing standards proposed under paragraph (b) and the risk-based model for monitoring compliance with family child care licensing standards proposed under paragraph (c) must not be implemented any earlier than January 1, 2027.

ARTICLE 21

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES RECODIFICATION CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 3.922, subdivision 1, is amended to read:

Subdivision 1. **Creation, membership.** The state Indian Affairs Council is created to consist of the following members:

(1) one member of each of the following federally recognized tribes, designated by the elected tribal president or chairperson of the governing bodies of:

the Fond du Lac Band;

the Grand Portage Band;

the Mille Lacs Band;

the White Earth Band;

the Bois Forte (Nett Lake) Band;

the Leech Lake Band;

the Red Lake Nation;

the Upper Sioux Community;

the Lower Sioux Community;

the Shakopee Mdewakanton Sioux Community;

the Prairie Island Mdewakanton Dakota Community;

(2) a member of the governor's official staff designated by the governor;

the commissioner of education;

the commissioner of human services;

the commissioner of natural resources;

the commissioner of human rights;

the commissioner of employment and economic development;

the commissioner of corrections;

the commissioner of the Minnesota Housing Finance Agency;

the commissioner of Iron Range resources and rehabilitation;

the commissioner of health;

the commissioner of transportation;

the commissioner of veterans affairs;

the commissioner of administration;

the commissioner of children, youth, and families;

Each of the commissioners listed in this clause may designate a staff member to serve on the council instead of the commissioner;

(3) two members of the house of representatives, appointed by the speaker; and

(4) two members of the senate, appointed by its Subcommittee on Committees.

Members appointed to represent the house of representatives or the senate shall no longer serve on the council when they are no longer members of the bodies which they represent and their offices shall be vacant. A member who is a designee of a tribal president or chairperson shall cease to be a member at the end of the term of the designating tribal president or chairperson. Only members of the council designated under clause (1) shall vote.

Sec. 2. Minnesota Statutes 2024, section 13.41, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section "licensing agency" means any board, department or agency of this state which is given the statutory authority to issue professional or other types of licenses, except the various agencies primarily administered by the commissioner of human services or the commissioner of children, youth, and families. Data pertaining to persons or

agencies licensed or registered under authority of the commissioner of human services or the commissioner of children, youth, and families shall be administered pursuant to section 13.46.

Sec. 3. 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 determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families 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 or the commissioner of children, youth, and families 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 or the commissioner of children, youth, and families 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.

Sec. 4. 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 or the commissioner of children, youth, and families;

(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~~,~~ and data on individuals collected by the commissioner of human services or the commissioner of children, youth, and families 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 and between the commissioners of human services and children, youth, and families 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 children, youth, and families 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 human services; 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 of human services; commissioner of children, youth, and families; or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner of human services; commissioner of children, youth, and families; 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.

Sec. 5. Minnesota Statutes 2024, section 13.46, subdivision 9, is amended to read:

Subd. 9. **Fraud.** In cases of suspected fraud, in which access to mental health data maintained by public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services is necessary to a proper investigation, the county board or the appropriate prosecutorial authority shall refer the matter to the commissioner

of human services or the commissioner of children, youth, and families. The commissioner and agents of the commissioner, while maintaining the privacy rights of individuals and families, shall have access to mental health data to conduct an investigation. Upon deeming it appropriate as a result of the investigation, the commissioner shall refer the matter to the appropriate legal authorities and may disseminate to those authorities whatever mental health data are necessary to properly prosecute the case.

Sec. 6. Minnesota Statutes 2024, section 13.46, subdivision 10, is amended to read:

Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows:

(1) the responsible authority for the Department of Human Services is the commissioner of human services;

(2) the responsible authority of a county welfare agency is the director of the county welfare agency;

(3) the responsible authority for a local social services agency, human services board, or community mental health center board is the chair of the board;

(4) the responsible authority of any person, agency, institution, organization, or other entity under contract to any of the components of the welfare system listed in subdivision 1, clause (c), is the person specified in the contract;

(5) the responsible authority of the public authority for child support enforcement is the head of the public authority for child support enforcement;

(6) the responsible authority for county veteran services is the county veterans service officer pursuant to section 197.603, subdivision 2; ~~and~~

(7) the responsible authority for Direct Care and Treatment is the chief executive officer of Direct Care and Treatment~~.~~; and

(8) the responsible authority for the Department of Children, Youth, and Families is the commissioner of children, youth, and families.

(b) A responsible authority shall allow another responsible authority in the welfare system access to data classified as not public data when access is necessary for the administration and management of programs, or as authorized or required by statute or federal law.

Sec. 7. Minnesota Statutes 2024, section 13.598, subdivision 10, is amended to read:

Subd. 10. **Employment and training programs; data sharing.** Data sharing of employment and training program data between the commissioner of employment and economic development~~,~~; the commissioner of human services~~,~~; the commissioner of children, youth, and families; state agency personnel~~,~~; and other users of the inventory, referral and intake system~~,~~ is governed by section 116L.86, subdivision 3.

Sec. 8. Minnesota Statutes 2024, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; ~~or~~

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A~~.~~; or

(10) the interpretive guidelines developed by the commissioner of children, youth, and families to the extent provided in chapter 142B.

Sec. 9. Minnesota Statutes 2024, section 116L.881, is amended to read:

116L.881 INDIAN TRIBE PLANS.

(a) The commissioner, in consultation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. Beginning April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. Beginning April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner an interim year plan update that deals with performance during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the ~~commissioner~~ commissioners of human services and children, youth, and families for the tribal employment and training service program.

(d) The commissioner may recommend to the ~~commissioner~~ commissioners of human services and children, youth, and families withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

Sec. 10. Minnesota Statutes 2024, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the child's district of residence may utilize that online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services; the commissioner of children, youth, and families; or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the nonresident district may utilize that online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph (d) applies.

(f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 11. Minnesota Statutes 2024, section 125A.744, subdivision 2, is amended to read:

Subd. 2. **Statewide data management system.** The commissioner of education, in cooperation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall develop a statewide data management system using the educational data reporting system or other existing data management system for school districts and cooperative units to use to maximize medical assistance reimbursement for health and health-related services provided under individualized education programs and individual family service plans. The system must be appropriately integrated with state and local existing and developing human services and education data systems. The statewide data management system must enable school district and cooperative unit staff to:

(1) establish medical assistance billing systems or improve existing systems;

(2) understand the appropriate medical assistance billing codes for services provided under individualized education programs and individual family service plans;

(3) comply with the Individuals with Disabilities Education Act, Public Law 105-17;

(4) contract with billing agents; and

(5) carry out other activities necessary to maximize medical assistance reimbursement.

Sec. 12. Minnesota Statutes 2024, section 127A.11, is amended to read:

127A.11 MONITOR MEDICAL ASSISTANCE SERVICES FOR DISABLED STUDENTS.

The commissioner of education, in cooperation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall monitor the costs of health-related, special education services provided by public schools.

Sec. 13. Minnesota Statutes 2024, section 127A.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work;

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers; and

(4) realigning the governance and administrative structures of early education, kindergarten through grade 12, and postsecondary systems in Minnesota.

(b) Under the direction of the P-20 Education Partnership Statewide Longitudinal Education Data System Governance Committee, the Office of Higher Education and the Departments of

Education; Children, Youth, and Families; and Employment and Economic Development shall improve and expand the Statewide Longitudinal Education Data System (SLEDS) and the Early Childhood Longitudinal Data System (ECLDS) to provide policymakers, education and workforce leaders, researchers, and members of the public with data, research, and reports to:

(1) expand reporting on students' educational outcomes for diverse student populations including at-risk students, children with disabilities, English learners, and gifted students, among others, and include formative and summative evaluations based on multiple measures of child well-being, early childhood development, and student progress toward career and college readiness;

(2) evaluate the effectiveness of early care, educational, and workforce programs; and

(3) evaluate the relationships among early care, education, and workforce outcomes, consistent with section 124D.49.

To the extent possible under federal and state law, research and reports should be accessible to the public on the Internet, and disaggregated by demographic characteristics, organization or organization characteristics, and geography.

It is the intent of the legislature that the Statewide Longitudinal Education Data System and the Early Childhood Longitudinal Data System inform public policy and decision-making. The SLEDS governance committee and ECLDS governance committee, with assistance from staff of the Office of Higher Education~~,~~; the Department of Education~~,~~; the Department of Children, Youth, and Families; and the Department of Employment and Economic Development, shall respond to legislative committee and agency requests on topics utilizing data made available through the Statewide Longitudinal Education Data System and the Early Childhood Longitudinal Data System as resources permit. Any analysis of or report on the data must contain only summary data.

(c) By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Sec. 14. Minnesota Statutes 2024, section 142A.607, subdivision 14, is amended to read:

Subd. 14. **Notice for caregiver.** (a) The agency as defined in subdivision 7 or 12 that is responsible for completing the initial assessment or reassessment must provide the child's caregiver with written notice of the initial assessment or reassessment.

(b) Initial assessment notices must be sent within 15 days of completion of the initial assessment and must minimally include the following:

(1) a summary of the child's completed individual assessment used to determine the initial rating;

(2) statement of rating and benefit level;

(3) statement of the circumstances under which the agency must reassess the child;

(4) procedure to seek reassessment;

(5) notice that the caregiver has the right to a fair hearing review of the assessment and how to request a fair hearing, consistent with ~~section~~ sections 142A.20 and 256.045, subdivision 3; and

(6) the name, telephone number, and email, if available, of a contact person at the agency completing the assessment.

(c) Reassessment notices must be sent within 15 days after the completion of the reassessment and must minimally include the following:

(1) a summary of the child's individual assessment used to determine the new rating;

(2) any change in rating and its effective date;

(3) procedure to seek reassessment;

(4) notice that if a change in rating results in a reduction of benefits, the caregiver has the right to a fair hearing review of the assessment and how to request a fair hearing consistent with ~~section~~ sections 142A.20 and 256.045, subdivision 3;

(5) notice that a caregiver who requests a fair hearing of the reassessed rating within ten days may continue at the current rate pending the hearing, but the agency may recover any overpayment; and

(6) name, telephone number, and email, if available, of a contact person at the agency completing the reassessment.

(d) Notice is not required for special assessments since the notice is part of the Northstar kinship assistance or adoption assistance negotiated agreement completed according to section 142A.608.

Sec. 15. Minnesota Statutes 2024, section 142A.609, subdivision 21, is amended to read:

Subd. 21. **Termination notice for caregiver or youth.** The agency that issues the maintenance payment shall provide the child's caregiver or the youth with written notice of termination of payment. Termination notices must be sent at least 15 days before the final payment or, in the case of an unplanned termination, the notice is sent within three days of the end of the payment. The written notice must minimally include the following:

(1) the date payment will end;

(2) the reason payments will end and the event that is the basis to terminate payment;

(3) a statement that the caregiver or youth has a right to a fair hearing review by the department consistent with ~~section~~ sections 142A.20 and 256.045, subdivision 3;

(4) the procedure to request a fair hearing; and

(5) the name, telephone number, and email address of a contact person at the agency.

Sec. 16. Minnesota Statutes 2024, section 142B.41, subdivision 9, is amended to read:

Subd. 9. **Swimming pools; family day care and group family day care providers.** (a) This subdivision governs swimming pools located at family day care or group family day care homes licensed under Minnesota Rules, chapter 9502. This subdivision does not apply to portable wading pools or whirlpools located at family day care or group family day care homes licensed under Minnesota Rules, chapter 9502. For a provider to be eligible to allow a child cared for at the family day care or group family day care home to use the swimming pool located at the home, the provider must not have had a licensing sanction under section 142B.18 or 245A.07 or a correction order or conditional license under section 142B.16 or 245A.06 relating to the supervision or health and safety of children during the prior 24 months, and must satisfy the following requirements:

(1) notify the county agency before initial use of the swimming pool and annually, thereafter;

(2) obtain written consent from a child's parent or legal guardian allowing the child to use the swimming pool and renew the parent or legal guardian's written consent at least annually. The written consent must include a statement that the parent or legal guardian has received and read materials provided by the Department of Health to the Department of Children, Youth, and Families for distribution to all family day care or group family day care homes and the general public on the human services Internet website related to the risk of disease transmission as well as other health risks associated with swimming pools. The written consent must also include a statement that the Department of Health, Department of Children, Youth, and Families, and county agency will not monitor or inspect the provider's swimming pool to ensure compliance with the requirements in this subdivision;

(3) enter into a written contract with a child's parent or legal guardian and renew the written contract annually. The terms of the written contract must specify that the provider agrees to perform all of the requirements in this subdivision;

(4) attend and successfully complete a swimming pool operator training course once every five years. Acceptable training courses are:

(i) the National Swimming Pool Foundation Certified Pool Operator course;

(ii) the National Spa and Pool Institute Tech I and Tech II courses (both required); or

(iii) the National Recreation and Park Association Aquatic Facility Operator course;

(5) require a caregiver trained in first aid and adult and child cardiopulmonary resuscitation to supervise and be present at the swimming pool with any children in the pool;

(6) toilet all potty-trained children before they enter the swimming pool;

(7) require all children who are not potty-trained to wear swim diapers while in the swimming pool;

(8) if fecal material enters the swimming pool water, add three times the normal shock treatment to the pool water to raise the chlorine level to at least 20 parts per million, and close the pool to swimming for the 24 hours following the entrance of fecal material into the water or until the water pH and disinfectant concentration levels have returned to the standards specified in clause (10), whichever is later;

(9) prevent any person from entering the swimming pool who has an open wound or any person who has or is suspected of having a communicable disease;

(10) maintain the swimming pool water at a pH of not less than 7.2 and not more than 8.0, maintain the disinfectant concentration between two and five parts per million for chlorine or between 2.3 and 4.5 parts per million for bromine, and maintain a daily record of the swimming pool's operation with pH and disinfectant concentration readings on days when children cared for at the family day care or group family day care home are present;

(11) have a disinfectant feeder or feeders;

(12) have a recirculation system that will clarify and disinfect the swimming pool volume of water in ten hours or less;

(13) maintain the swimming pool's water clarity so that an object on the pool floor at the pool's deepest point is easily visible;

(14) comply with the provisions of the Abigail Taylor Pool Safety Act in section 144.1222, subdivisions 1c and 1d;

(15) have in place and enforce written safety rules and swimming pool policies;

(16) have in place at all times a safety rope that divides the shallow and deep portions of the swimming pool;

(17) satisfy any existing local ordinances regarding swimming pool installation, decks, and fencing;

(18) maintain a water temperature of not more than 104 degrees Fahrenheit and not less than 70 degrees Fahrenheit; and

(19) for lifesaving equipment, have a United States Coast Guard-approved life ring attached to a rope, an exit ladder, and a shepherd's hook available at all times to the caregiver supervising the swimming pool.

The requirements of clauses (5), (16), and (18) only apply at times when children cared for at the family day care or group family day care home are present.

(b) A violation of paragraph (a), clauses (1) to (3), is grounds for a sanction under section 142B.18 or a correction order or conditional license under section 142B.16.

(c) If a provider under this subdivision receives a licensing sanction under section 142B.18 or 245A.07 or a correction order or a conditional license under section 142B.16 or 245A.06 relating to the supervision or health and safety of children, the provider is prohibited from allowing a child cared for at the family day care or group family day care home to continue to use the swimming pool located at the home.

Sec. 17. Minnesota Statutes 2024, section 144.061, is amended to read:

144.061 EARLY DENTAL PREVENTION INITIATIVE.

(a) The commissioner of health, in collaboration with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall implement a statewide initiative to increase awareness among communities of color and recent immigrants on the importance of early preventive dental intervention for infants and toddlers before and after primary teeth appear.

(b) The commissioner shall develop educational materials and information for expectant and new parents within the targeted communities that include the importance of early dental care to prevent early cavities, including proper cleaning techniques and feeding habits, before and after primary teeth appear.

(c) The commissioner shall develop a distribution plan to ensure that the materials are distributed to expectant and new parents within the targeted communities, including, but not limited to, making the materials available to health care providers, community clinics, WIC sites, and other relevant sites within the targeted communities.

(d) In developing these materials and distribution plan, the commissioner shall work collaboratively with members of the targeted communities, dental providers, pediatricians, child care providers, and home visiting nurses.

(e) The commissioner shall, with input from stakeholders listed in paragraph (d), develop and pilot incentives to encourage early dental care within one year of an infant's teeth erupting.

Sec. 18. Minnesota Statutes 2024, section 144.225, subdivision 2a, is amended to read:

Subd. 2a. **Health data associated with birth registration.** (a) Information from which an identification of risk for disease, disability, or developmental delay in a mother or child can be made, that is collected in conjunction with birth registration or fetal death reporting, is private data as defined in section 13.02, subdivision 12.

(b) The commissioner may disclose to a tribal health department or community health board, as defined in section 145A.02, subdivision 5, health data associated with birth registration which identifies a mother or child at high risk for serious disease, disability, or developmental delay in order to assure access to appropriate health, social, or educational services.

(c) Notwithstanding the designation of the private data, the commissioner of human services shall have access to health data associated with birth registration for:

(1) purposes of administering medical assistance and the MinnesotaCare program; and

(2) for other public health purposes as determined by the commissioner of health.

(d) Notwithstanding the designation of the private data, the commissioner of children, youth, and families shall have access to health data associated with birth registration for other public health purposes as determined by the commissioner of health.

Sec. 19. Minnesota Statutes 2024, section 145.895, is amended to read:

145.895 DEPARTMENT OF HUMAN SERVICES.

The commissioner of human services shall cooperate with the ~~commissioner~~ commissioners of health and children, youth, and families in identifying eligible individuals. The commissioner of human services shall provide a procedure for the notification of pregnant or lactating women, infants and children receiving any form of public assistance of eligibility for benefits under this program.

Sec. 20. Minnesota Statutes 2024, section 145.901, subdivision 2, is amended to read:

Subd. 2. **Access to data.** (a) The commissioner of health has access to medical data as defined in section 13.384, subdivision 1, paragraph (b), medical examiner data as defined in section 13.83, subdivision 1, and health records created, maintained, or stored by providers as defined in section 144.291, subdivision 2, paragraph (c), without the consent of the subject of the data, and without the consent of the parent, spouse, other guardian, or legal representative of the subject of the data, when the subject of the data is a woman who died during a pregnancy or within 12 months of a fetal death, a live birth, or other termination of a pregnancy.

The commissioner has access only to medical data and health records related to deaths that occur on or after July 1, 2000, including the names of the providers, clinics, or other health services such as family home visiting programs; the women, infants, and children (WIC) program; prescription monitoring programs; and behavioral health services, where care was received before, during, or related to the pregnancy or death. The commissioner has access to records maintained by a medical examiner, a coroner, or hospitals or to hospital discharge data, for the purpose of providing the name and location of any pre-pregnancy, prenatal, or other care received by the subject of the data up to one year after the end of the pregnancy.

(b) The provider or responsible authority that creates, maintains, or stores the data shall furnish the data upon the request of the commissioner. The provider or responsible authority may charge a fee for providing the data, not to exceed the actual cost of retrieving and duplicating the data.

(c) The commissioner shall make a good faith reasonable effort to notify the parent, spouse, other guardian, or legal representative of the subject of the data before collecting data on the subject. For purposes of this paragraph, "reasonable effort" means one notice is sent by certified mail to the last known address of the parent, spouse, guardian, or legal representative informing the recipient of the data collection and offering a public health nurse support visit if desired.

(d) The commissioner does not have access to coroner or medical examiner data that are part of an active investigation as described in section 13.83.

(e) The commissioner may request and receive from a coroner or medical examiner the name of the health care provider that provided prenatal, postpartum, or other health services to the subject of the data.

(f) The commissioner may access Department of Human Services and Department of Children, Youth, and Families data to identify sources of care and services to assist with the evaluation of welfare systems, including housing, to reduce preventable maternal deaths.

(g) The commissioner may request and receive law enforcement reports or incident reports related to the subject of the data.

Sec. 21. Minnesota Statutes 2024, section 145.901, subdivision 4, is amended to read:

Subd. 4. **Classification of data.** (a) Data provided to the commissioner from source records under subdivision 2, including identifying information on individual providers, data subjects, or their children, and data derived by the commissioner under subdivision 3 for the purpose of carrying out maternal death studies, are classified as confidential data on individuals or confidential data on decedents, as defined in sections 13.02, subdivision 3, and 13.10, subdivision 1, paragraph (a).

(b) Information classified under paragraph (a) shall not be subject to discovery or introduction into evidence in any administrative, civil, or criminal proceeding. Such information otherwise available from an original source shall not be immune from discovery or barred from introduction into evidence merely because it was utilized by the commissioner in carrying out maternal death studies.

(c) Summary data on maternal death studies created by the commissioner, which does not identify individual data subjects or individual providers, shall be public in accordance with section 13.05, subdivision 7.

(d) Data provided by the commissioner of human services or the commissioner of children, youth, and families to the commissioner of health under this section retain the same classification the data held when retained by the commissioner of human services or the commissioner of children, youth, and families, as required under section 13.03, subdivision 4, paragraph (c).

Sec. 22. Minnesota Statutes 2024, section 145.9255, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** To the extent funds are available for the purposes of this subdivision, the commissioner of health, in consultation with a representative from Minnesota planning~~,~~; the commissioner of human services~~,~~; the commissioner of children, youth, and families; and the commissioner of education, shall develop and implement the Minnesota education now and babies later (MN ENABL) program, targeted to adolescents ages 12 to 14, with the goal of reducing the incidence of adolescent pregnancy in the state and promoting abstinence until marriage. The program must provide a multifaceted, primary prevention, community health promotion approach to educating and supporting adolescents in the decision to postpone sexual involvement modeled after the ENABL program in California. The commissioner of health shall consult with the chief of the health education section of the California Department of Health Services for general guidance in developing and implementing the program.

Sec. 23. Minnesota Statutes 2024, section 145.9265, is amended to read:

145.9265 FETAL ALCOHOL SYNDROME EFFECTS; DRUG-EXPOSED INFANT.

The commissioner of health, in coordination with the commissioner of education; the commissioner of children, youth, and families; and the commissioner of human services, shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The commissioner shall:

(1) conduct research to determine the most effective methods of preventing fetal alcohol syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods for collecting information on the incidence and prevalence of these problems in Minnesota;

(2) provide training on effective prevention methods to health care professionals and human services workers; and

(3) operate a statewide media campaign focused on reducing the incidence of fetal alcohol syndrome and fetal alcohol effects~~,~~ and reducing the number of drug-exposed infants.

Sec. 24. Minnesota Statutes 2024, section 174.285, subdivision 4, is amended to read:

Subd. 4. **Membership.** (a) The council is composed of the following ~~13~~ 14 members:

(1) one representative from the Office of the Governor;

(2) one representative from the Council on Disability;

(3) one representative from the Minnesota Public Transit Association;

(4) the commissioner of transportation or a designee;

(5) the commissioner of human services or a designee;

(6) the commissioner of health or a designee;

(7) the chair of the Metropolitan Council or a designee;

(8) the commissioner of education or a designee;

(9) the commissioner of veterans affairs or a designee;

(10) one representative from the Board on Aging;

(11) the commissioner of employment and economic development or a designee;

(12) the commissioner of commerce or a designee; ~~and~~

(13) the commissioner of management and budget or a designee~~.~~; and

(14) the commissioner of children, youth, and families or a designee.

(b) All appointments required by paragraph (a) must be completed by August 1, 2010.

(c) The commissioner of transportation or a designee shall convene the first meeting of the council within two weeks after the members have been appointed to the council. The members shall elect a chair from their membership at the first meeting.

(d) The Department of Transportation and the Department of Human Services shall provide necessary staff support for the council.

Sec. 25. Minnesota Statutes 2024, section 214.104, is amended to read:

214.104 HEALTH-RELATED LICENSING BOARDS; SUBSTANTIATED MALTREATMENT.

(a) A health-related licensing board shall make determinations as to whether regulated persons who are under the board's jurisdiction should be the subject of disciplinary or corrective action because of substantiated maltreatment under section 626.557 or chapter 260E. The board shall make a determination upon receipt, and after the review, of an investigation memorandum or other notice of substantiated maltreatment under section 626.557~~,~~ or chapter 260E~~,~~ or of a notice from the commissioner of human services or the commissioner of children, youth, and families that a background study of a regulated person shows substantiated maltreatment.

(b) Upon completion of its review of a report of substantiated maltreatment, the board shall notify the ~~commissioner~~ commissioners of human services and children, youth, and families of its determination. The board shall notify the commissioner of human services if, following a review of the report of substantiated maltreatment, the board determines that it does not have jurisdiction in the matter and the commissioner shall make the appropriate disqualification decision regarding the regulated person as otherwise provided in chapter 245C. The board shall also notify the commissioner of health ~~or~~; the commissioner of human services; or the commissioner of children, youth, and families immediately upon receipt of knowledge of a facility or program allowing a regulated person to provide direct contact services at the facility or program while not complying with requirements placed on the regulated person.

(c) In addition to any other remedy provided by law, the board may, through its designated board member, temporarily suspend the license of a licensee; deny a credential to an applicant; or require the regulated person to be continuously supervised, if the board finds there is probable cause to believe the regulated person referred to the board according to paragraph (a) poses an immediate risk of harm to vulnerable persons. The board shall consider all relevant information available, which may include but is not limited to:

(1) the extent the action is needed to protect persons receiving services or the public;

(2) the recency of the maltreatment;

(3) the number of incidents of maltreatment;

(4) the intrusiveness or violence of the maltreatment; and

(5) the vulnerability of the victim of maltreatment.

The action shall take effect upon written notice to the regulated person, served by certified mail, specifying the statute violated. The board shall notify the commissioner of health ~~or~~; the commissioner of human services; or the commissioner of children, youth, and families of the suspension or denial of a credential. The action shall remain in effect until the board issues a temporary stay or a final order in the matter after a hearing or upon agreement between the board and the regulated person. At the time the board issues the notice, the regulated person shall inform the board of all settings in which the regulated person is employed or practices. The board shall inform all known employment and practice settings of the board action and schedule a disciplinary hearing to be held under chapter 14. The board shall provide the regulated person with at least 30 days' notice of the hearing, unless the parties agree to a hearing date that provides less than 30 days' notice, and shall schedule the hearing to begin no later than 90 days after issuance of the notice of hearing.

Sec. 26. Minnesota Statutes 2024, section 216C.266, subdivision 2, is amended to read:

Subd. 2. **Sharing energy assistance program data.** The commissioner may disseminate to the ~~commissioner~~ commissioners of human services and children, youth, and families the name, telephone number, and last four digits of the Social Security number of any individual who applies on behalf of a household for benefits or services provided by the energy assistance program if the household is determined to be eligible for the energy assistance program.

Sec. 27. Minnesota Statutes 2024, section 216C.266, subdivision 3, is amended to read:

Subd. 3. **Use of shared data.** Data disseminated to the ~~commissioner~~ commissioners of human services and children, youth, and families under subdivision 2 may be disclosed to a person other than the subject of the data only for the purpose of determining a household's eligibility for the telephone assistance program pursuant to section 13.46, subdivision 2, clause (23).

Sec. 28. Minnesota Statutes 2024, section 241.021, subdivision 2, is amended to read:

Subd. 2. **Facilities for delinquent children and youth; licenses; supervision.** Notwithstanding any provisions in sections 256.01, subdivision 2, paragraph (a), clause (2)~~,~~; 142B.05; 142B.10; 245A.03~~,~~; and 245A.04~~,~~ and chapter 245C~~,~~ to the contrary, but subject to the municipality notification requirements of subdivision 2a, the commissioner of corrections shall review all county, municipal, or other publicly established and operated facilities for the detention, care and training of delinquent children and youth at least once every biennium, and if such facility conforms to reasonable standards established by the commissioner or in the commissioner's judgment is making satisfactory progress toward substantial conformity therewith, and the commissioner is satisfied that the interests and well-being of children and youth received therein are protected, the commissioner shall grant a license to the county, municipality or agency thereof operating such facility. The commissioner may grant licensure up to two years. Each such facility shall cooperate with the commissioner to make available all facts regarding its operation and services as the commissioner requires to determine its conformance to standards and its competence to give the services needed and which it purports to give. Every such facility as herein described is subject to visitation and supervision by the commissioner and shall receive from the commissioner consultation as needed to strengthen services to the children and youth received therein.

Sec. 29. Minnesota Statutes 2024, section 242.09, is amended to read:

242.09 COOPERATION; OTHER AGENCIES.

The commissioner of human services~~,~~; the commissioner of education~~,~~; the commissioner of children, youth, and families; and the ~~state~~ commissioner of health shall advise, cooperate with and assist the commissioner of corrections in carrying out the duties and responsibilities assigned by this chapter, and for these purposes may attend meetings. Their facilities and services and those of other state agencies, particularly of the Department of Human Services and Department of Children, Youth, and Families, shall be made available to the commissioner of corrections upon the terms the governor directs.

Sec. 30. Minnesota Statutes 2024, section 242.21, is amended to read:

242.21 COOPERATION; STATE INSTITUTIONS, LOCAL POLICE OFFICERS.

The commissioner of corrections may enter into agreement with the Direct Care and Treatment executive board~~, with~~; the commissioner of children, youth, and families; the commissioner of human services; local probation officers or other public officials; and ~~with~~ public or private agencies, schools, or institutions~~,~~ for custody, separate care, special treatment, training, or diagnostic services of persons committed to the care or subject to the control of the commissioner of corrections. The commissioner of corrections may pay any costs incurred by such agreements to the extent that funds for such purposes are made available to the commissioner by the legislature.

Sec. 31. Minnesota Statutes 2024, section 242.32, subdivision 1, is amended to read:

Subdivision 1. **Community-based programming.** The commissioner of corrections shall be charged with the duty of developing constructive programs for the prevention and decrease of delinquency and crime among youth. To that end, the commissioner shall cooperate with counties and existing agencies to encourage the establishment of new programming, both local and statewide, to provide a continuum of services for serious and repeat juvenile offenders who do not require secure placement. The commissioner shall work jointly with the commissioner of human services; the commissioner of children, youth, and families; and counties and municipalities to develop and provide community-based services for residential placement of juvenile offenders and community-based services for nonresidential programming for juvenile offenders and their families.

Notwithstanding any law to the contrary, the commissioner of corrections is authorized to contract with counties placing juveniles in the serious/chronic program at the Minnesota Correctional Facility-Red Wing to provide necessary extended community transition programming. Funds resulting from the contracts shall be deposited in the state treasury and are appropriated to the commissioner for juvenile correctional purposes.

Sec. 32. Minnesota Statutes 2024, section 245.697, subdivision 1, is amended to read:

Subdivision 1. **Creation.** (a) A State Advisory Council on Mental Health is created. The council must have members appointed by the governor in accordance with federal requirements. In making the appointments, the governor shall consider appropriate representation of communities of color. The council must be composed of:

(1) the assistant commissioner of the Department of Human Services who oversees behavioral health policy;

(2) a representative of the Department of Human Services responsible for the medical assistance program;

(3) a representative of Direct Care and Treatment;

(4) a representative of the Department of Health;

(5) a representative of the Department of Children, Youth, and Families;

~~(5)~~ (6) one member of each of the following professions:

(i) psychiatry;

(ii) psychology;

(iii) social work;

(iv) nursing;

(v) marriage and family therapy; and

(vi) professional clinical counseling;

~~(6)~~ (7) one representative from each of the following advocacy groups: Mental Health Association of Minnesota, NAMI-MN, Minnesota Disability Law Center, American Indian Mental Health Advisory Council, and a consumer-run mental health advocacy group;

~~(7)~~ (8) providers of mental health services;

~~(8)~~ (9) consumers of mental health services;

~~(9)~~ (10) family members of persons with mental illnesses;

~~(10)~~ (11) legislators;

~~(11)~~ (12) social service agency directors;

~~(12)~~ (13) county commissioners; and

~~(13)~~ (14) other members reflecting a broad range of community interests, including family physicians, or members as the United States Secretary of Health and Human Services may prescribe by regulation or as may be selected by the governor.

(b) The council shall select a chair. Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059. Notwithstanding provisions of section 15.059, the council and its subcommittee on children's mental health do not expire. The commissioner of human services shall provide staff support and supplies to the council.

Sec. 33. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental Health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the Departments of Human Services~~,~~; Children, Youth, and Families; Health~~,~~; Education~~,~~; State Planning~~,~~; and Corrections;

(2) a designee of the Direct Care and Treatment executive board;

(3) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(4) at least one representative of an advocacy group for children with emotional disturbances;

(5) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(6) parents of children who have emotional disturbances;

(7) a present or former consumer of adolescent mental health services;

(8) educators currently working with emotionally disturbed children;

(9) people knowledgeable about the needs of emotionally disturbed children of minority races and cultures;

(10) people experienced in working with emotionally disturbed children who have committed status offenses;

(11) members of the advisory council;

(12) one person from the local corrections department and one representative of the Minnesota District Judges Association Juvenile Committee; and

(13) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 34. Minnesota Statutes 2024, section 245.814, subdivision 1, is amended to read:

Subdivision 1. **Insurance for foster home providers.** (a) The commissioner of human services or the commissioner of children, youth, and families shall within the appropriation provided purchase and provide insurance to individuals licensed as foster home providers to cover their liability for:

(1) injuries or property damage caused or sustained by persons in foster care in their home; and

(2) actions arising out of alienation of affections sustained by the birth parents of a foster child or birth parents or children of a foster adult.

(b) Each commissioner shall provide insurance for the providers the commissioner licenses.

(c) For purposes of this subdivision, insurance for homes licensed to provide adult foster care shall be limited to family adult foster care homes as defined in section 245A.02, subdivision 6f, and family adult day services licensed under section 245A.143.

Sec. 35. Minnesota Statutes 2024, section 245.814, subdivision 2, is amended to read:

Subd. 2. **Application of coverage.** Coverage shall apply to all foster homes licensed by the Department of Human Services or the Department of Children, Youth, and Families, licensed by a federally recognized tribal government, or established by the juvenile court and certified by the commissioner of corrections pursuant to section 260B.198, subdivision 1, paragraph (a), clause (3), item (v), to the extent that the liability is not covered by the provisions of the standard homeowner's or automobile insurance policy. The insurance shall not cover property owned by the individual foster home provider, damage caused intentionally by a person over 12 years of age, or property damage arising out of business pursuits or the operation of any vehicle, machinery, or equipment.

Sec. 36. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

Subd. 3. **Compensation provisions.** If the commissioner of human services or the commissioner of children, youth, and families is unable to obtain insurance through ordinary methods for coverage of foster home providers, the appropriation shall be returned to the general fund and the state shall pay claims subject to the following limitations.

(a) Compensation shall be provided only for injuries, damage, or actions set forth in subdivision 1.

(b) Compensation shall be subject to the conditions and exclusions set forth in subdivision 2.

(c) The state shall provide compensation for bodily injury, property damage, or personal injury resulting from the foster home providers activities as a foster home provider while the foster child or adult is in the care, custody, and control of the foster home provider in an amount not to exceed $250,000 for each occurrence.

(d) The state shall provide compensation for damage or destruction of property caused or sustained by a foster child or adult in an amount not to exceed $250 for each occurrence.

(e) The compensation in paragraphs (c) and (d) is the total obligation for all damages because of each occurrence regardless of the number of claims made in connection with the same occurrence, but compensation applies separately to each foster home. The state shall have no other responsibility to provide compensation for any injury or loss caused or sustained by any foster home provider or foster child or foster adult.

This coverage is extended as a benefit to foster home providers to encourage care of persons who need out-of-home care. Nothing in this section shall be construed to mean that foster home providers are agents or employees of the state nor does the state accept any responsibility for the selection, monitoring, supervision, or control of foster home providers which is exclusively the responsibility of the counties which shall regulate foster home providers in the manner set forth in the rules of the ~~commissioner~~ commissioners of human services and children, youth, and families.

Sec. 37. Minnesota Statutes 2024, section 245.814, subdivision 4, is amended to read:

Subd. 4. **Liability insurance; risk pool.** If the commissioner that licenses a program determines that appropriate commercial liability insurance coverage is not available for a licensed foster home, group home, developmental achievement center, or day care provider, and that coverage available through the joint underwriting authority of the commissioner of commerce or other public entity is not appropriate for the provider or a class of providers, the commissioner of human services; the

commissioner of children, youth, and families; and the commissioner of commerce may jointly establish a risk pool to provide coverage for licensed providers out of premiums or fees paid by providers. The commissioners may set limits on coverage, establish premiums or fees, determine the proportionate share of each provider to be collected in a premium or fee based on the provider's claim experience and other factors the commissioners consider appropriate, establish eligibility and application requirements for coverage, and take other action necessary to accomplish the purposes of this subdivision. A human services risk pool fund is created for the purposes of this subdivision. Fees and premiums collected from providers for risk pool coverage are appropriated to the risk pool fund. Interest earned from the investment of money in the fund must be credited to the fund and money in the fund is appropriated to the ~~commissioner~~ commissioners of human services and children, youth, and families in proportion to the amounts insured by each commissioner to pay administrative costs and covered claims for participating providers. In the event that money in the fund is insufficient to pay outstanding claims and associated administrative costs, the ~~commissioner~~ commissioners of human services and children, youth, and families may assess providers participating in the risk pool amounts sufficient to pay the costs. The ~~commissioner~~ commissioners of human services and children, youth, and families may not assess a provider an amount exceeding one year's premiums collected from that provider.

Sec. 38. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02, subdivision 5~~ means the commissioner of human services.

Sec. 39. Minnesota Statutes 2024, section 245C.02, subdivision 12, is amended to read:

Subd. 12. **License.** "License" ~~has the meaning given in section 245A.02, subdivision 8~~ means a certificate issued by the commissioner of human services; children, youth, and families; corrections; or health authorizing the license holder to provide a specified program for a specified period of time and in accordance with the terms of the license and the rules of the commissioner issuing the license.

Sec. 40. Minnesota Statutes 2024, section 245C.02, subdivision 13, is amended to read:

Subd. 13. **License holder.** "License holder" ~~has the meaning given in section 245A.02, subdivision 9~~ means an individual, organization, or government entity that is legally responsible for the operation of the program or service and has been granted a license by the commissioner of human services; children, youth, and families; corrections; or health.

Sec. 41. Minnesota Statutes 2024, section 245C.031, subdivision 9, is amended to read:

Subd. 9. **Guardians ad litem; required checks.** (a) An alternative background study for a guardian ad litem under subdivision 8 must include:

(1) criminal history data from the Bureau of Criminal Apprehension and other criminal history data obtained by the commissioner of human services; and

(2) data regarding whether the person has been a perpetrator of substantiated maltreatment of a minor or a vulnerable adult. If the study subject has been determined by the Department of Human Services; the Department of Children, Youth, and Families; or the Department of Health to be the perpetrator of substantiated maltreatment of a minor or a vulnerable adult in a licensed facility, the

response must include a copy of the public portion of the investigation memorandum under section 260E.30 or the public portion of the investigation memorandum under section 626.557, subdivision 12b. When the background study shows that the subject has been determined by a county adult protection or child protection agency to have been responsible for maltreatment, the court shall be informed of the county, the date of the finding, and the nature of the maltreatment that was substantiated.

(b) For checks of records under paragraph (a), clauses (1) and (2), the commissioner shall provide the records within 15 working days of receiving the request. The information obtained under sections 245C.05 and 245C.08 from a national criminal history records check shall be provided within three working days of the commissioner's receipt of the data.

(c) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner or county lead agency or lead investigative agency has information that a person of whom a background study was previously completed under this section has been determined to be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county may provide this information to the court that requested the background study.

Sec. 42. Minnesota Statutes 2024, section 245C.033, subdivision 2, is amended to read:

Subd. 2. **State licensing agency data.** (a) Requests for state licensing agency data submitted pursuant to section 524.5-118 must include information from a check of state licensing agency records.

(b) The commissioner shall provide the court with licensing agency data for licenses directly related to the responsibilities of a guardian or conservator if the guardian or conservator has a current or prior affiliation with the:

(1) Lawyers Responsibility Board;

(2) State Board of Accountancy;

(3) Board of Social Work;

(4) Board of Psychology;

(5) Board of Nursing;

(6) Board of Medical Practice;

(7) Department of Education;

(8) Department of Commerce;

(9) Board of Chiropractic Examiners;

(10) Board of Dentistry;

(11) Board of Marriage and Family Therapy;

(12) Department of Human Services;

(13) Department of Children, Youth, and Families;

~~(13)~~ (14) Peace Officer Standards and Training (POST) Board; or

~~(14)~~ (15) Professional Educator Licensing and Standards Board.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the guardian or conservator is or has been licensed by the agency and whether a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation, is in the licensing agency's database.

Sec. 43. Minnesota Statutes 2024, section 245C.05, subdivision 7, is amended to read:

Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or corrections agent shall notify the commissioner of an individual's conviction if the individual:

(1) has been affiliated with a program or facility regulated by the Department of Human Services; Department of Children, Youth, and Families; or Department of Health, a facility serving children or youth licensed by the Department of Corrections, or any type of home care agency or provider of personal care assistance services within the preceding year; and

(2) has been convicted of a crime constituting a disqualification under section 245C.14.

(b) For the purpose of this subdivision, "conviction" has the meaning given it in section 609.02, subdivision 5.

(c) The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this subdivision and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents.

(d) The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes shall be reported to the commissioner by the corrections system.

(e) A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this subdivision.

(f) Upon receipt of disqualifying information, the commissioner shall provide the notice required under section 245C.17, as appropriate, to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual.

(g) This subdivision does not apply to family child care programs or legal nonlicensed child care programs for individuals whose background study was completed in NETStudy 2.0.

Sec. 44. Minnesota Statutes 2024, section 245C.07, is amended to read:

245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.

(a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other entity owns multiple programs or services that are licensed by the Department of Human Services~~,~~; Department of Children, Youth, and Families; Department of Health~~,~~; or Department of Corrections, only one background study is required for an individual who provides direct contact services in one or more of the licensed programs or services if:

(1) the license holder designates one individual with one address and telephone number as the person to receive sensitive background study information for the multiple licensed programs or services that depend on the same background study; and

(2) the individual designated to receive the sensitive background study information is capable of determining, upon request of the department, whether a background study subject is providing direct contact services in one or more of the license holder's programs or services and, if so, at which location or locations.

(b) When a license holder maintains background study compliance for multiple licensed programs according to paragraph (a), and one or more of the licensed programs closes, the license holder shall immediately notify the commissioner which staff must be transferred to an active license so that the background studies can be electronically paired with the license holder's active program.

(c) When a background study is being initiated by a licensed program or service or a foster care provider that is also licensed under chapter 144G, a study subject affiliated with multiple licensed programs or services may attach to the background study form a cover letter indicating the additional names of the programs or services, addresses, and background study identification numbers.

When the commissioner receives a notice, the commissioner shall notify each program or service identified by the background study subject of the study results.

The background study notice the commissioner sends to the subsequent agencies shall satisfy those programs' or services' responsibilities for initiating a background study on that individual.

(d) If a background study was conducted on an individual related to child foster care and the requirements under paragraph (a) are met, the background study is transferable across all licensed programs. If a background study was conducted on an individual under a license other than child foster care and the requirements under paragraph (a) are met, the background study is transferable to all licensed programs except child foster care.

(e) The provisions of this section that allow a single background study in one or more licensed programs or services do not apply to background studies submitted by adoption agencies, supplemental nursing services agencies, personnel pool agencies, educational programs, professional services agencies, temporary personnel agencies, and unlicensed personal care provider organizations.

(f) For an entity operating under NETStudy 2.0, the entity's active roster must be the system used to document when a background study subject is affiliated with multiple entities. For a background study to be transferable:

(1) the background study subject must be on and moving to a roster for which the person designated to receive sensitive background study information is the same; and

(2) the same entity must own or legally control both the roster from which the transfer is occurring and the roster to which the transfer is occurring. For an entity that holds or controls multiple licenses, or unlicensed personal care provider organizations, there must be a common highest level entity that has a legally identifiable structure that can be verified through records available from the secretary of state.

Sec. 45. Minnesota Statutes 2024, section 256.88, is amended to read:

256.88 SOCIAL WELFARE FUND ESTABLISHED.

Except as otherwise expressly provided, all moneys and funds held by the commissioner of human services~~,~~; the commissioner of children, youth, and families; the Direct Care and Treatment executive board~~,~~; and the local social services agencies of the several counties in trust or for the benefit of children with a disability and children who are dependent, neglected, or delinquent~~,~~; children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children~~,~~; persons determined to have developmental disability, mental illness, or substance use disorder~~,~~; or other wards or beneficiaries, under any law, shall be kept in a single fund to be known as the "social welfare fund" which shall be deposited at interest, held, or disbursed as provided in sections 256.89 to 256.92.

Sec. 46. Minnesota Statutes 2024, section 256.89, is amended to read:

256.89 FUND DEPOSITED IN STATE TREASURY.

The social welfare fund and all accretions thereto shall be deposited in the state treasury, as a separate and distinct fund, to the credit of the commissioner of human services; the commissioner of children, youth, and families; and the Direct Care and Treatment executive board as trustees for their respective beneficiaries in proportion to the beneficiaries' several interests. The commissioner of management and budget shall be responsible only to the commissioner of human services; the commissioner of children, youth, and families; and the Direct Care and Treatment executive board for the sum total of the fund, and shall have no duties nor direct obligations toward the beneficiaries thereof individually. Subject to the applicable rules of the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board, money so received by a local social services agency may be deposited by the executive secretary of the local social services agency in a local bank carrying federal deposit insurance, designated by the local social services agency for this purpose. The amount of such deposit in each such bank at any one time shall not exceed the amount protected by federal deposit insurance.

Sec. 47. Minnesota Statutes 2024, section 256.90, is amended to read:

256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.

The commissioner of human services, in consultation with the commissioner of children, youth, and families and the Direct Care and Treatment executive board, at least 30 days before the first day of January and the first day of July in each year shall file with the commissioner of management and budget an estimate of the amount of the social welfare fund to be held in the treasury during the succeeding six-month period, subject to current disbursement. Such portion of the remainder thereof as may be at any time designated by the request of the commissioner of human services may be invested by the commissioner of management and budget in bonds in which the permanent trust

funds of the state of Minnesota may be invested, upon approval by the State Board of Investment. The portion of such remainder not so invested shall be placed by the commissioner of management and budget at interest for the period of six months, or when directed by the commissioner of human services, for the period of 12 months thereafter at the highest rate of interest obtainable in a bank, or banks, designated by the board of deposit as a suitable depository therefor. All the provisions of law relative to the designation and qualification of depositories of other state funds shall be applicable to sections 256.88 to 256.92, except as herein otherwise provided. Any bond given, or collateral assigned or both, to secure a deposit hereunder may be continuous in character to provide for the repayment of any moneys belonging to the fund theretofore or thereafter at any time deposited in such bank until its designation as such depository is revoked and the security thereof shall be not impaired by any subsequent agreement or understanding as to the rate of interest to be paid upon such deposit, or as to time for its repayment. The amount of money belonging to the fund deposited in any bank, including other state deposits, shall not at any time exceed the amount of the capital stock thereof. In the event of the closing of the bank any sum deposited therein shall immediately become due and payable.

Sec. 48. Minnesota Statutes 2024, section 256.91, is amended to read:

256.91 PURPOSES.

From that part of the social welfare fund held in the state treasury subject to disbursement as provided in section 256.90, the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board at any time may pay out such amounts as the ~~commissioner~~ commissioners or executive board deems proper for the support, maintenance, or other legal benefit of any of the children with a disability and children who are dependent, neglected, or delinquent~~,~~; children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children~~,~~; persons with developmental disability, substance use disorder, or mental illness~~,~~; or other wards or persons entitled thereto, not exceeding in the aggregate to or for any person the principal amount previously received for the benefit of the person, together with the increase in it from an equitable apportionment of interest realized from the social welfare fund.

When any such person dies or is finally discharged from the guardianship, care, custody, and control of the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board, the amount then remaining subject to use for the benefit of the person shall be paid as soon as may be from the social welfare fund to the persons thereto entitled by law.

Sec. 49. Minnesota Statutes 2024, section 256.92, is amended to read:

256.92 ~~COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND TREATMENT~~ COMMISSIONERS AND EXECUTIVE BOARD, ACCOUNTS.

It shall be the duty of the commissioner of human services~~,~~; the commissioner of children, youth, and families; the Direct Care and Treatment executive board~~,~~; and the local social services agencies of the several counties of this state to cause to be deposited with the commissioner of management and budget all moneys and funds in their possession or under their control and designated by section 256.91 as and for the social welfare fund; and all such moneys and funds shall be so deposited in

the state treasury as soon as received. The commissioner of human services, in consultation with the commissioner of children, youth, and families and the Direct Care and Treatment executive board, shall keep books of account or other records showing separately the principal amount received and deposited in the social welfare fund for the benefit of any person, together with the name of such person, and the name and address, if known to the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board, of the person from whom such money was received; and, at least once every two years, the amount of interest, if any, which the money has earned in the social welfare fund shall be apportioned thereto and posted in the books of account or records to the credit of such beneficiary.

The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees, judgments, or other directions of any district court having jurisdiction thereof.

Sec. 50. Minnesota Statutes 2024, section 256G.01, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This chapter governs the Minnesota human services system. The system includes the Department of Human Services~~,~~; the Department of Children, Youth, and Families; Direct Care and Treatment~~,~~; local social services agencies~~,~~; county welfare agencies~~,~~; human service boards~~,~~; community mental health center boards~~,~~; state hospitals~~,~~; state nursing homes~~,~~; and persons, agencies, institutions, organizations, and other entities under contract to any of those agencies to the extent specified in the contract.

Sec. 51. Minnesota Statutes 2024, section 256G.01, subdivision 3, is amended to read:

Subd. 3. **Program coverage.** This chapter applies to all social service programs administered by the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board in which residence is the determining factor in establishing financial responsibility. These include, but are not limited to: commitment proceedings, including voluntary admissions; emergency holds; poor relief funded wholly through local agencies; social services, including title XX, IV-E and section 256K.10; social services programs funded wholly through the resources of county agencies; social services provided under the Minnesota Indian Family Preservation Act, sections 260.751 to 260.781; costs for delinquency confinement under section 393.07, subdivision 2; service responsibility for these programs; and housing support under chapter 256I.

Sec. 52. Minnesota Statutes 2024, section 256G.03, subdivision 2, is amended to read:

Subd. 2. **No durational test.** Except as otherwise provided in sections 142G.12; 142G.78; 256B.056, subdivision 1; and 256D.02, subdivision 12a for purposes of this chapter, no waiting period is required before securing county or state residence. A person cannot, however, gain residence while physically present in an excluded time facility unless otherwise specified in this chapter or in a federal regulation controlling a federally funded human service; children, youth, and families; or direct care and treatment program. Interstate migrants who enter a shelter for battered women directly from another state can gain residency while in the facility provided the person can provide documentation that the person is a victim of domestic abuse and the county determines that the placement is appropriate.

Sec. 53. Minnesota Statutes 2024, section 256G.04, subdivision 2, is amended to read:

Subd. 2. **Moving out of state.** (a) A person retains county and state residence so long as the person's absence from Minnesota is viewed as a temporary absence within the context of the affected program.

(b) Direct entry into a facility in another state does not end Minnesota residence for purposes of this chapter. Financial responsibility does not continue, however, unless placement was initiated by a human service; children, youth, and families; or direct care and treatment agency or another governmental entity that has statutory authority to bind the human service; children, youth, and families; or direct care and treatment agency and is based on a formal, written plan of treatment, or unless federal regulations require payment for an out-of-state resident.

Sec. 54. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe it is financially responsible, it should provide to the commissioner of human services and the initially responsible county a statement of all facts and documents necessary for the commissioner to make the requested determination of financial responsibility. The submission must clearly state the program area in dispute and must state the specific basis upon which the submitting county is denying financial responsibility.

(b) The initially responsible county then has 15 calendar days to submit its position and any supporting evidence to the commissioner of human services. The absence of a submission by the initially responsible county does not limit the right of the commissioner of human services; the commissioner of children, youth, and families; or Direct Care and Treatment executive board to issue a binding opinion based on the evidence actually submitted.

(c) A case must not be submitted until the local agency taking the application or making the commitment has made an initial determination about eligibility and financial responsibility, and services have been initiated. This paragraph does not prohibit the submission of closed cases that otherwise meet the applicable statute of limitations.

Sec. 55. Minnesota Statutes 2024, section 256G.09, subdivision 3, is amended to read:

Subd. 3. **Commissioner of human services obligations.** (a) Except as provided in paragraph (b) for matters solely under the jurisdiction of the Direct Care and Treatment executive board or the commissioner of children, youth, and families, the commissioner of human services shall then promptly decide any question of financial responsibility as outlined in this chapter and make an order referring the application to the local agency of the proper county for further action. Further action may include reimbursement by that county of assistance that another county has provided to the applicant under this subdivision. The commissioner shall decide disputes within 60 days of the last county evidentiary submission and shall issue an immediate opinion.

(b) For disputes regarding financial responsibility relating to matters solely under the jurisdiction of the Direct Care and Treatment executive board or the commissioner of children, youth, and families, the commissioner of human services shall promptly issue an advisory opinion on any question of financial responsibility as outlined in this chapter and recommend to the executive board or commissioner of children, youth, and families an order referring the application to the local agency of the proper county for further action. Further action may include reimbursement by that county of assistance that another county has provided to the applicant under this subdivision. The

commissioner of human services shall provide an advisory opinion and recommended order to the executive board or commissioner of children, youth, and families within 30 days of the last county evidentiary submission. The executive board or commissioner of children, youth, and families shall decide to accept or reject the commissioner's advisory opinion and recommended order within 60 days of the last county evidentiary submission and shall issue an immediate opinion stating the reasons for accepting or rejecting the ~~commissioner's~~ recommendation of the commissioner of human services.

(c) The commissioner of human services may make any investigation it considers proper before making a decision or a recommendation to the executive board or commissioner of children, youth, and families. The commissioner of human services may prescribe rules it considers necessary to carry out this subdivision except that the commissioner of human services must not create rules purporting to bind the ~~executive board's~~ decision of the executive board or commissioner of children, youth, and families on any advisory opinion or recommended order under paragraph (b).

(d) Except as provided in paragraph (e) for matters solely under the jurisdiction of the executive board or the commissioner of children, youth, and families, the order of the commissioner of human services binds the local agency involved and the applicant or recipient. That agency shall comply with the order unless reversed on appeal as provided in section 256.045, subdivision 7. The agency shall comply with the order pending the appeal.

(e) For disputes regarding financial responsibility relating to matters solely under the jurisdiction of the Direct Care and Treatment executive board or the commissioner of children, youth, and families, the order of the executive board or the commissioner of children, youth, and families binds the local agency involved and the applicant or recipient. That agency shall comply with the order of the executive board or the commissioner of children, youth, and families unless the order is reversed on appeal as provided in section 142A.20, subdivision 5, or 256.045, subdivision 7. The agency shall comply with the order of the executive board or the commissioner of children, youth, and families pending the appeal.

Sec. 56. 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 ~~department~~ commissioner of human services, executive board, or commissioner of children, youth, and families under subdivision 3, paragraph (e), 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 commissioner of human services 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 commissioner of human services; the commissioner of children, youth, and families; 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.

Sec. 57. Minnesota Statutes 2024, section 256G.09, subdivision 5, is amended to read:

Subd. 5. **Payment pending appeal.** After the ~~department~~ commissioner of human services, or the executive board or commissioner of children, youth, and families under subdivision 3, paragraph

(e), 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.

Sec. 58. Minnesota Statutes 2024, section 256G.10, is amended to read:

256G.10 DERIVATIVE SETTLEMENT.

(a) The residence of the parent of a minor child, with whom that child last lived in a nonexcluded time setting, or guardian of a ward shall determine the residence of the child or ward for all social services governed by this chapter.

(b) For purposes of this chapter, a minor child is defined as being under 18 years of age unless otherwise specified in a program administered by the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board.

(c) Physical or legal custody has no bearing on residence determinations. This section does not, however, apply to situations involving another state, limit the application of an interstate compact, or apply to situations involving state wards where the commissioner of human services or children, youth, and families is defined by law as the guardian.

Sec. 59. Minnesota Statutes 2024, section 256G.11, is amended to read:

256G.11 NO RETROACTIVE EFFECT.

(a) This chapter is not retroactive and does not require redetermination of financial responsibility for cases existing on January 1, 1988. This chapter applies only to applications and redeterminations of eligibility taken or routinely made after January 1, 1988.

(b) Notwithstanding this section, existing social services cases shall be treated in the same manner as cases for those programs outlined in section 256G.02, subdivision 4, paragraph (g), for which an application is taken or a redetermination is made after January 1, 1988.

(c) The requirement under section 256G.09, subdivision 3, for the Direct Care and Treatment executive board or the commissioner of children, youth, and families to accept or reject the recommendation of the commissioner of humans services regarding the county of financial responsibility for matters solely under the jurisdiction of the executive board or the commissioner of children, youth, and families is not retroactive and does not require redetermination of financial responsibility for cases existing prior to the effective date of the transfer of all authorities and responsibilities from the Department of Human Services to Direct Care and Treatment.

(d) Notwithstanding paragraph (c), existing cases relating to matters under the jurisdiction of the executive board must be treated in the same manner as cases relating to matters under the jurisdiction of the executive board opened or redetermined after the effective date of the transfer of all authorities and responsibilities from the Department of Human Services to Direct Care and Treatment or the Department of Children, Youth, and Families.

Sec. 60. Minnesota Statutes 2024, section 256G.12, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** A submission to the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board

for a determination of financial responsibility must be made within three years from the date of application for the program in question or from the date of admission or commitment to state or other institutions.

Sec. 61. Minnesota Statutes 2024, section 260.762, subdivision 2a, is amended to read:

Subd. 2a. **Required findings that active efforts were provided.** (a) A court shall not order a child placement, termination of parental rights, guardianship to the commissioner of children, youth, and families under section 260C.325, or temporary or permanent change in custody of an Indian child unless the court finds that the child-placing agency or petitioner demonstrated that active efforts were made to preserve the Indian child's family. Active efforts to preserve the Indian child's family include efforts to prevent placement of the Indian child to correct the conditions that led to the placement by ensuring remedial services and rehabilitative programs designed to prevent the breakup of the family were provided in a manner consistent with the prevailing social and cultural conditions of the Indian child's Tribe and in partnership with the Indian child, the Indian child's parents, the Indian custodian, extended family members, and Tribe, and that these efforts have proved unsuccessful.

(b) The court, in determining whether active efforts were made to preserve the Indian child's family for purposes of child placement or permanency, shall ensure the provision of active efforts designed to correct the conditions that led to the placement of the Indian child and shall make findings regarding whether the following activities were appropriate and necessary, and whether the child-placing agency or petitioner ensured appropriate and meaningful services were available based upon the family's specific needs, whether listed in this paragraph or not:

(1) whether active efforts were made at the earliest point possible to inquire into the child's heritage, to identify any federally recognized Indian Tribe the child may be affiliated with, to notify all potential Tribes at the earliest point possible, and to request participation of the Indian child's Tribe;

(2) whether a Tribally designated representative with substantial knowledge of the prevailing social and cultural standards and child-rearing practices within the Tribal community was provided an opportunity to consult with and be involved in any investigations or assessments of the family's circumstances, participate in identifying the family's needs, and participate in development of any plan to keep the Indian child safely in the home, identify services designed to prevent the breakup of the Indian child's family, and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(3) whether the Tribal representative was provided with all information available regarding the proceeding, and whether it was requested that the Tribal representative assist in identifying services designed to prevent the breakup of the Indian child's family and to reunify the Indian child's family as soon as safety can be assured if out-of-home placement has occurred;

(4) whether, before making a decision that may affect an Indian child's safety and well-being or when contemplating placement of an Indian child, guidance from the Indian child's Tribe was sought regarding family structure, how the family can seek help, what family and Tribal resources are available, and what barriers the family faces that could threaten the family's preservation;

(5) whether a Tribal representative was consulted to determine and arrange for visitation in the most natural setting that ensures the Indian child's safety, when the Indian child's safety requires supervised visitation;

(6) whether early and ongoing efforts occurred to identify, locate, and include extended family members as supports for the Indian child and the Indian child's family;

(7) whether continued active efforts were made to identify and place the Indian child in a home that is compliant with the placement preferences in sections 260.751 to 260.835, including whether extended family members were consulted to provide support to the Indian child and Indian child's parents; to inform the child-placing agency, petitioner, and court as to cultural connections and family structure; to assist in identifying appropriate cultural services and supports for the Indian child and Indian child's parents; and to identify and serve as placement and permanency resources for the Indian child. If there was difficulty contacting or engaging extended family members, whether assistance was sought from the Tribe~~,~~; the Department of Human Services~~,~~; the Department of Children, Youth, and Families; or other agencies with expertise in working with Indian families;

(8) whether services and resources were provided to extended family members who are considered the primary placement option for an Indian child, as agreed upon by the child-placing agency or petitioner and the Tribe, to overcome licensing and other barriers to providing care to an Indian child. The need for services or resources shall not be a basis to exclude an extended family member from consideration as a primary placement. Services and resources include but are not limited to child care assistance, financial assistance, housing resources, emergency resources, and foster care licensing assistance and resources;

(9) whether concrete services and access to both Tribal and non-Tribal services were provided to the Indian child's parents and Indian custodian and, where necessary, members of the Indian child's extended family members who provide support to the Indian child and the Indian child's parents; and whether these services were provided in an ongoing manner throughout the child-placing agency or petitioner's involvement with the Indian family to directly assist the Indian family in accessing and utilizing services to maintain the Indian family, or to reunify the Indian family as soon as safety can be assured if out-of-home placement has occurred. Services include but are not limited to financial assistance, food, housing, health care, transportation, in-home services, community support services, and specialized services; and

(10) whether visitation occurred whenever possible in the home of the Indian child's parent, Indian custodian, or extended family member or in another noninstitutional setting in order to keep the Indian child in close contact with the Indian child's parents, siblings, and other relatives regardless of the Indian child's age and to allow the Indian child and those with whom the Indian child visits to have natural, unsupervised interaction when consistent with protecting the child's safety.

Sec. 62. Minnesota Statutes 2024, section 260B.171, subdivision 4, is amended to read:

Subd. 4. **Public inspection of records.** (a) Legal records arising from proceedings or portions of proceedings that are public under section 260B.163, subdivision 1, are open to public inspection.

(b) Except as otherwise provided by this section, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except:

(1) by order of a court; or

(2) as required by chapter 245C or sections 142B.10, 245A.04, 611A.03, 611A.04, 611A.06, and 629.73.

(c) The victim of any alleged delinquent act may, upon the victim's request, obtain the following information, unless it reasonably appears that the request is prompted by a desire on the part of the requester to engage in unlawful activities:

(1) the name and age of the juvenile;

(2) the act for which the juvenile was petitioned and date of the offense; and

(3) the disposition, including, but not limited to, dismissal of the petition, diversion, probation and conditions of probation, detention, fines, or restitution.

(d) The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 6. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260B.335 or 260B.425 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

(e) When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the Department of Public Safety and must contain the information required under section 169.95.

(f) A county attorney may give a law enforcement agency that referred a delinquency matter to the county attorney a summary of the results of that referral, including the details of any juvenile court disposition.

Sec. 63. Minnesota Statutes 2024, section 260E.03, subdivision 6, is amended to read:

Subd. 6. **Facility.** "Facility" means:

(1) a licensed or unlicensed day care facility, certified license-exempt child care center, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 142B, 142C, 144H, or 245D;

(2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

Sec. 64. Minnesota Statutes 2024, section 260E.11, subdivision 1, is amended to read:

Subdivision 1. **Reports of maltreatment in facility.** A person mandated to report child maltreatment occurring within a licensed facility shall report the information to the agency responsible for licensing or certifying the facility under sections 144.50 to 144.58, 241.021, and 245A.01 to 245A.16~~;~~ or chapter 142B, 142C, 144H, or 245D~~;~~ or to a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

Sec. 65. Minnesota Statutes 2024, section 260E.30, subdivision 4, is amended to read:

Subd. 4. **Mitigating factors in investigating facilities.** (a) When determining whether the facility or individual is the responsible party or whether both the facility and the individual are responsible for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, facility training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

(b) The evaluation of the facility's responsibility under paragraph (a), clause (2), must not be based on the completeness of the risk assessment or risk reduction plan required under section ~~245A.66~~ 142B.54, but must be based on the facility's compliance with the regulatory standards for policies and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota Rules.

(c) Notwithstanding paragraphs (a) and (b), when maltreatment is determined to have been committed by an individual who is also the facility license holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background study disqualification standards under section 245C.15, subdivision 4, and the licensing or certification actions under section 142B.16, 142B.18, 142C.06, 142C.07, 245A.06, or 245A.07 apply.

Sec. 66. Minnesota Statutes 2024, section 260E.33, subdivision 6, is amended to read:

Subd. 6. **Contested case hearing.** If a maltreatment determination or a disqualification based on serious or recurring maltreatment is the basis for a denial of a license under section 142B.15 or 245A.05 or a licensing sanction under section 142B.18 or 245A.07, the license holder has the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. As provided for under section 142B.20, subdivision 3, or 245A.08, subdivision 2a, the scope of the

contested case hearing shall include the maltreatment determination, disqualification, and licensing sanction or denial of a license. In such cases, a fair hearing regarding the maltreatment determination and disqualification shall not be conducted under section 256.045. Except for family child care and child foster care, reconsideration of a maltreatment determination as provided under this subdivision and reconsideration of a disqualification as provided under section 245C.22 shall also not be conducted when:

(1) a denial of a license under section 142B.15 or 245A.05 or a licensing sanction under section 142B.18 or 245A.07 is based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder based on serious or recurring maltreatment;

(2) the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and

(3) the license holder appeals the maltreatment determination or disqualification and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under subdivision 2 and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under subdivision 2 and sections 245C.27 and 626.557, subdivision 9d.

If the disqualified subject is an individual other than the license holder and upon whom a background study must be conducted under chapter 245C, the hearings of all parties may be consolidated into a single contested case hearing upon consent of all parties and the administrative law judge.

Sec. 67. Minnesota Statutes 2024, section 261.232, is amended to read:

261.232 DUTIES OF ~~COMMISSIONER~~ COMMISSIONERS OF HUMAN SERVICES AND CHILDREN, YOUTH, AND FAMILIES.

The ~~commissioner~~ commissioners of human services and children, youth, and families shall promulgate rules to establish administrative and fiscal procedures for payment of the state share of the costs incurred by the counties under sections 261.21 to 261.231. The rules may include:

(a) procedures by which state liability for the costs of hospitalization of indigent persons may be deducted from county liability to the state under any other public assistance program authorized by law;

(b) procedures for processing claims of counties for reimbursement by the state for expenditures made by the counties for the hospitalization of indigent persons; and

(c) standards for eligibility and utilization of medical care.

Sec. 68. Minnesota Statutes 2024, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** ~~(a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).~~

~~(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.~~

~~(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 518A.83.~~

~~(d)~~ (a) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

~~(e)~~ (b) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security or individual taxpayer identification numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers under section 290.0693, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

~~(f)~~ (c) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

~~(g)~~ (d) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

~~(h)~~ (e) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

~~(i)~~ (f) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for ~~the Minnesota family investment program,~~ general assistance~~, the Supplemental Nutrition Assistance Program (SNAP),~~ and the Minnesota supplemental aid program~~, and child care assistance~~ have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

~~(j)~~ (g) At the request of the commissioner of human services and when authorized in writing by the taxpayer, the commissioner of revenue may match the business legal name or individual legal name, and the Minnesota tax identification number, federal Employer Identification Number, or Social Security number of the applicant under section 142C.03; 245A.04, subdivision 1; or 245I.20;

or license or certification holder. The commissioner of revenue may share the matching with the commissioner of human services. The matching may only be used by the commissioner of human services to determine eligibility for provider grant programs and to facilitate the regulatory oversight of license and certification holders as it relates to ownership and public funds program integrity. This paragraph applies only if the commissioner of human services and the commissioner of revenue enter into an interagency agreement for the purposes of this paragraph.

Sec. 69. Minnesota Statutes 2024, section 270B.14, is amended by adding a subdivision to read:

Subd. 24. **Disclosure to commissioner of children, youth, and families.** (a) On the request of the commissioner of children, youth, and families, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data may be disclosed relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of children, youth, and families may request data for the purposes of carrying out the child support program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 518A.83.

(d) The commissioner may disclose information to the commissioner of children, youth, and families necessary to verify whether applicants or recipients for the Minnesota family investment program, the Supplemental Nutrition Assistance Program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

Sec. 70. Minnesota Statutes 2024, section 299C.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Federal tax information" means federal tax returns and return information or information derived or created from federal tax returns, in possession of or control by the requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of the Internal Revenue Code.

(c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that provides guidance and requirements for the protection and confidentiality of federal tax information as required in section 6103(p)(4) of the Internal Revenue Code.

(d) "National criminal history record information" means the Federal Bureau of Investigation identification records as defined in Code of Federal Regulations, title 28, section 20.3(d).

(e) "Requesting agency" means the Department of Revenue~~,~~; Department of Employment and Economic Development~~,~~; Department of Human Services; Department of Children, Youth, and Families~~,~~; board of directors of MNsure~~,~~; Department of Information Technology Services~~,~~; attorney general~~,~~; and counties.

Sec. 71. Minnesota Statutes 2024, section 299F.011, subdivision 4a, is amended to read:

Subd. 4a. **Day care home regulation.** (a) Notwithstanding any contrary provision of this section, the fire marshal shall not adopt or enforce a rule:

(1) establishing staff ratios, age distribution requirements, and limitations on the number of children in care;

(2) regulating the means of egress from family or group family day care homes in addition to the egress rules that apply to the home as a single family dwelling; or

(3) confining family or group family day care home activities to the floor of exit discharge.

(b) For purposes of this subdivision, "family or group family day care home" means a dwelling unit in which the day care provider provides the services referred to in section 142B.01, subdivision 18, to one or more persons.

(c) Nothing in this subdivision prohibits the Department of Children, Youth, and Families from adopting or enforcing rules regulating day care, including the subjects in paragraph (a), clauses (1) and (3). The department may not, however, adopt or enforce a rule stricter than paragraph (a), clause (2).

(d) The Department of ~~Human Services~~ Children, Youth, and Families may by rule adopt procedures for requesting the state fire marshal or a local fire marshal to conduct an inspection of day care homes to ensure compliance with state or local fire codes.

(e) The commissioners of public safety; children, youth, and families; and human services may enter into an agreement for the ~~commissioner~~ commissioners of human services and children, youth, and families to perform follow-up inspections of programs, subject to licensure under chapter 142B or 245A, to determine whether certain violations cited by the state fire marshal have been corrected. The agreement shall identify specific items the commissioner of human services is permitted to inspect. The list of items is not subject to rulemaking and may be changed by mutual agreement between the state fire marshal and the commissioner. The agreement shall provide for training of individuals who will conduct follow-up inspections. The agreement shall contain procedures for the commissioner of human services to follow when the commissioner requires assistance from the state fire marshal to carry out the duties of the agreement.

(f) No tort liability is transferred to the commissioner of human services or the commissioner of children, youth, and families as a result of the ~~commissioner of human services~~ commissioners performing activities within the limits of the agreement.

Sec. 72. Minnesota Statutes 2024, section 402A.10, subdivision 1a, is amended to read:

Subd. 1a. **Balanced set of program measures.** A "balanced set of program measures" is a set of measures that, together, adequately quantify achievement toward a particular program's outcome. As directed by section 402A.16, the Human Services Performance Council must recommend to the commissioner ~~when~~ who oversees a particular program when the program has a balanced set of program measures.

Sec. 73. Minnesota Statutes 2024, section 402A.10, subdivision 2, is amended to read:

Subd. 2. ~~**Commissioner**~~ **Commissioners.** ~~"Commissioner"~~ "Commissioners" means the ~~commissioner~~ commissioners of human services and children, youth, and families.

Sec. 74. Minnesota Statutes 2024, section 402A.10, subdivision 4c, is amended to read:

Subd. 4c. **Performance improvement plan.** A "performance improvement plan" means a plan developed by a county or service delivery authority that describes steps the county or service delivery authority must take to improve performance on a specific measure or set of measures. The performance improvement plan must be negotiated with and approved by ~~the~~ each commissioner who oversees a program affected by the plan. The performance improvement plan must require a specific numerical improvement in the measure or measures on which the plan is based and may include specific programmatic best practices or specific performance management practices that the county must implement.

Sec. 75. Minnesota Statutes 2024, section 402A.12, is amended to read:

402A.12 ESTABLISHMENT OF A PERFORMANCE MANAGEMENT SYSTEM FOR HUMAN SERVICES.

By January 1, 2014, the commissioner of human services shall implement a performance management system for essential human services as described in sections 402A.16 and 402A.18 that includes initial performance measures and thresholds consistent with the recommendations of the Steering Committee on Performance and Outcome Reforms in the December 2012 report to the legislature.

Sec. 76. Minnesota Statutes 2024, section 402A.16, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** By October 1, 2013, the commissioner of human services shall convene a Human Services Performance Council to advise the commissioner of human services on the implementation and operation of the performance management system for human services.

Sec. 77. Minnesota Statutes 2024, section 402A.16, subdivision 2, is amended to read:

Subd. 2. **Duties.** The Human Services Performance Council shall:

(1) hold meetings at least quarterly that are in compliance with Minnesota's Open Meeting Law under chapter 13D;

(2) annually review the annual performance data submitted by counties or service delivery authorities;

(3) review and advise the ~~commissioner~~ commissioners on department procedures related to the implementation of the performance management system and system process requirements and on barriers to process improvement in human services delivery;

(4) advise the ~~commissioner~~ commissioners on the training and technical assistance needs of county or service delivery authority and department personnel;

(5) review instances in which a county or service delivery authority has not made adequate progress on a performance improvement plan and make recommendations to the ~~commissioner~~ commissioners under section 402A.18;

(6) consider appeals from counties or service delivery authorities that are in the remedies process and make recommendations to the ~~commissioner~~ commissioners on resolving the issue;

(7) convene working groups to update and develop outcomes, measures, and performance thresholds for the performance management system and, on an annual basis, present these recommendations to the ~~commissioner~~ commissioners, including recommendations on when a particular essential human services program has a balanced set of program measures in place;

(8) make recommendations on human services administrative rules or statutes that could be repealed in order to improve service delivery; and

(9) provide information to stakeholders on the council's role and regularly collect stakeholder input on performance management system performance.

Sec. 78. Minnesota Statutes 2024, section 402A.16, subdivision 3, is amended to read:

Subd. 3. **Membership.** (a) Human Services Performance Council membership shall be equally balanced among the following five stakeholder groups: the Association of Minnesota Counties~~,~~; the Minnesota Association of County Social Service Administrators~~,~~; the Department of Human Services~~,~~ and the Department of Children, Youth, and Families, jointly; tribes and communities of color~~,~~; and service providers and advocates for persons receiving human services. The Association of Minnesota Counties and the Minnesota Association of County Social Service Administrators shall appoint their own respective representatives. The ~~commissioner of human services~~ commissioners shall each appoint two representatives of ~~the Department of Human Services,~~ their respective department. The commissioners shall each appoint two representatives from (1) tribes and communities of color~~,~~ and (2) social services providers and advocates. ~~Minimum~~ Council membership shall be ~~15~~ 20 members, with ~~at least three~~ four representatives from each nondepartmental stakeholder group~~, and maximum council membership shall be 20 members, with four representatives from each stakeholder group~~.

(b) Notwithstanding section 15.059, Human Services Performance Council members shall be appointed for a minimum of two years~~,~~ but may serve longer terms at the discretion of their appointing authority.

(c) Notwithstanding section 15.059, members of the council shall receive no compensation for their services.

(d) A ~~commissioner's~~ representative from each commissioner and a county representative from either the Association of Minnesota Counties or the Minnesota Association of County Social Service Administrators shall serve as Human Services Performance Council cochairs.

Sec. 79. Minnesota Statutes 2024, section 402A.16, subdivision 4, is amended to read:

Subd. 4. **~~Commissioner~~ Commissioners' duties.** For essential human services administered by each agency, the ~~commissioner~~ commissioners shall:

(1) implement and maintain the performance management system for human services;

(2) establish and regularly update the system's outcomes, measures, and thresholds, including the minimum performance threshold for each performance measure;

(3) determine when a particular program has a balanced set of measures;

(4) receive reports from counties or service delivery authorities at least annually on their performance against system measures, provide counties with data needed to assess performance and monitor progress, and provide timely feedback to counties or service delivery authorities on their performance;

(5) implement and monitor the remedies process in section 402A.18;

(6) report to the Human Services Performance Council on county or service delivery authority performance on a semiannual basis;

(7) provide general training and technical assistance to counties or service delivery authorities on topics related to performance measurement and performance improvement;

(8) provide targeted training and technical assistance to counties or service delivery authorities that supports their performance improvement plans; and

(9) provide staff support for the Human Services Performance Council.

Sec. 80. Minnesota Statutes 2024, section 402A.18, subdivision 2, is amended to read:

Subd. 2. **Underperforming county; more than one-half of services.** If the ~~commissioner determines~~ commissioners determine that a county or service delivery authority is deficient in achieving minimum performance thresholds for more than one-half of the defined essential human services programs, the ~~commissioner~~ commissioners may impose the following remedies:

(1) voluntary incorporation of the administration and operation of essential human services programs with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies;

(2) mandatory incorporation of the administration and operation of essential human services programs with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies; or

(3) transfer of authority for administration and operation of essential human services programs to the commissioner that oversees each program.

Sec. 81. Minnesota Statutes 2024, section 402A.18, subdivision 3, is amended to read:

Subd. 3. **Conditions prior to imposing remedies.** (a) The commissioner shall notify a county or service delivery authority that it must submit a performance improvement plan if:

(1) the county or service delivery authority does not meet the minimum performance threshold for a measure; or

(2) the county or service delivery authority has a performance disparity for a racial or ethnic subgroup, even if the county or service delivery authority met the threshold for the overall population. The council shall make recommendations on performance disparities, and the commissioner shall make the final determination.

(b) When the ~~department~~ commissioner determines that a county or service delivery authority does not meet the minimum performance threshold for a given measure, the commissioner must advise the county or service delivery authority that fiscal penalties may result if the performance does not improve. The ~~department~~ commissioner must offer technical assistance to the county or service delivery authority. Within 30 days of the initial advisement from the ~~department~~ commissioner, the county or service delivery authority may claim and the ~~department~~ commissioner may approve an extenuating circumstance that relieves the county or service delivery authority of any further remedy. If a county or service delivery authority has a small number of participants in an essential human services program such that reliable measurement is not possible, the commissioner may approve extenuating circumstances.

(c) If there are no extenuating circumstances, the county or service delivery authority must submit a performance improvement plan to the commissioner within 60 days of the initial advisement from the ~~department~~ commissioner. The term of the performance improvement plan must be two years, starting with the date the plan is approved by the commissioner. This plan must include a target level for improvement for each measure that did not meet the minimum performance threshold. The commissioner must approve the performance improvement plan within 60 days of submittal.

(d) The ~~department~~ commissioner must monitor the performance improvement plan for two years. After two years, if the county or service delivery authority meets the minimum performance threshold, there is no further remedy. If the county or service delivery authority fails to meet the minimum performance threshold~~,~~ but meets the improvement target in the performance improvement plan, the county or service delivery authority shall modify the performance improvement plan for further improvement and the ~~department~~ commissioner shall continue to monitor the plan.

(e) If, after two years of monitoring, the county or service delivery authority fails to meet both the minimum performance threshold and the improvement target identified in the performance improvement plan, the next step of the remedies process shall be invoked by the commissioner. This phase of the remedies process may include:

(1) fiscal penalties for the county or service delivery authority that do not exceed one percent of the county's human services expenditures and that are negotiated in the performance improvement plan, based on what is needed to improve outcomes. Counties or service delivery authorities must reinvest the amount of the fiscal penalty into the essential human services program that was underperforming. A county or service delivery authority shall not be required to pay more than three fiscal penalties in a year; and

(2) the ~~department's~~ commissioner's provision of technical assistance to the county or service delivery authority that is targeted to address the specific performance issues.

The commissioner shall continue monitoring the performance improvement plan for a third year.

(f) If, after the third year of monitoring, the county or service delivery authority meets the minimum performance threshold, there is no further remedy. If the county or service delivery authority fails to meet the minimum performance threshold~~,~~ but meets the improvement target for the performance improvement plan, the county or service delivery authority shall modify the performance improvement plan for further improvement and the ~~department~~ commissioner shall continue to monitor the plan.

(g) If, after the third year of monitoring, the county or service delivery authority fails to meet the minimum performance threshold and the improvement target identified in the performance improvement plan, the Human Services Performance Council shall review the situation and recommend a course of action to the commissioner.

(h) If the commissioner has determined that a program has a balanced set of program measures and a county or service delivery authority is subject to fiscal penalties for more than one-half of the measures for that program, the commissioner may apply further remedies as described in subdivisions 1 and 2.

Sec. 82. Minnesota Statutes 2024, section 402A.18, is amended by adding a subdivision to read:

Subd. 4. **Commissioner jurisdiction.** For purposes of this section, "commissioner" means the commissioner of human services or the commissioner of children, youth, and families, whichever oversees the program or service at issue. If programs or services overseen by both commissioners are at issue, commissioner means both commissioners jointly. A commissioner must not take action under this section for a program or service that the commissioner does not oversee.

Sec. 83. Minnesota Statutes 2024, section 402A.35, subdivision 1, is amended to read:

Subdivision 1. **Requirements for establishing a service delivery authority.** (a) A county, tribe, or consortium of counties is eligible to establish a service delivery authority if:

(1) the county, tribe, or consortium of counties is:

(i) a single county with a population of 55,000 or more;

(ii) a consortium of counties with a total combined population of 55,000 or more;

(iii) a consortium of four or more counties in reasonable geographic proximity without regard to population; or

(iv) one or more tribes with a total combined population of 25,000 or more.

The council may recommend that the ~~commissioner of human services~~ commissioners exempt a single county, tribe, or consortium of counties from the minimum population standard if the county, tribe, or consortium of counties can demonstrate that it can otherwise meet the requirements of this chapter.

(b) A service delivery authority shall:

(1) comply with current state and federal law, including any existing federal or state performance measures when they are enacted into law, except where waivers are approved by the ~~commissioner~~ commissioners;

(2) define the scope of essential services over which the service delivery authority has jurisdiction;

(3) designate a single administrative structure to oversee the delivery of those services included in a proposal for a redesigned service or services and identify a single administrative agent for purposes of contact and communication with the department;

(4) identify the waivers from statutory or rule program requirements that are needed to ensure greater local control and flexibility to determine the most cost-effective means of achieving specified measurable goals that the participating service delivery authority is expected to achieve;

(5) set forth a reasonable level of targeted reductions in overhead and administrative costs for each service delivery authority participating in the service delivery redesign;

(6) set forth the terms under which a county, tribe, or consortium of counties may withdraw from participation. In the case of withdrawal of any or all parties or the dissolution of the service delivery authority, the employees shall continue to be represented by the same exclusive representative or representatives and continue to be covered by the same collective bargaining union agreement until a new agreement is negotiated or the collective bargaining agreement term ends; and

(7) set forth a structure for managing the terms and conditions of employment of the employees as provided in section 402A.40.

(c) Once a county, tribe, or consortium of counties establishes a service delivery authority, no county, tribe, or consortium of counties that is a member of the service delivery authority may participate as a member of any other service delivery authority. The service delivery authority may allow an additional county, a tribe, or a consortium of counties to join the service delivery authority subject to the approval of the council and the ~~commissioner~~ commissioners.

(d) Nothing in this chapter precludes local governments from using sections 465.81 and 465.82 to establish procedures for local governments to merge, with the consent of the voters. Nothing in this chapter limits the authority of a county board or tribal council to enter into contractual agreements for services not covered by the provisions of a memorandum of understanding establishing a service delivery authority with other agencies or with other units of government.

Sec. 84. Minnesota Statutes 2024, section 402A.35, subdivision 4, is amended to read:

Subd. 4. **Process for establishing a service delivery authority.** (a) The county, tribe, or consortium of counties meeting the requirements of this section and proposing to establish a service delivery authority shall present to the council:

(1) in conjunction with the ~~commissioner~~ commissioners, a proposed memorandum of understanding meeting the requirements of subdivision 1, paragraph (b), and outlining:

(i) the details of the proposal;

(ii) the state, tribal, and local resources, which may include, but are not limited to, funding, administrative and technology support, and other requirements necessary for the service delivery authority; and

(iii) the relief available to the service delivery authority if the resource commitments identified in item (ii) are not met; and

(2) a board resolution from the board of commissioners of each participating county stating the county's intent to participate, or in the case of a tribe, a resolution from tribal government, stating the tribe's intent to participate.

(b) After the council has considered and recommended approval of a proposed memorandum of understanding, the ~~commissioner~~ commissioners may finalize and execute the memorandum of understanding.

Sec. 85. Minnesota Statutes 2024, section 402A.35, subdivision 5, is amended to read:

Subd. 5. **Commissioner authority to seek waivers.** The ~~commissioner~~ commissioners may use the authority under section 142A.03, subdivision 2, paragraph (k), or 256.01, subdivision 2, paragraph (k), to grant waivers identified as part of a proposed service delivery authority under subdivision 1, paragraph (b), clause (4), except that waivers granted under this section must be approved by the council under section 402A.20 rather than the Legislative Advisory Committee.

Sec. 86. Minnesota Statutes 2024, section 462A.2095, subdivision 6, is amended to read:

Subd. 6. **Rent assistance not income.** (a) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:

(1) child care assistance programs under chapter 142E;

(2) food support under chapter 142F;

~~(2)~~ (3) general assistance~~,~~ and Minnesota supplemental aid~~, and food support~~ under chapter 256D;

~~(3)~~ (4) housing support under chapter 256I;

~~(4)~~ (5) Minnesota family investment program and diversionary work program under chapter 142G; and

~~(5)~~ (6) economic assistance programs under chapter 256P.

(b) The commissioner of human services must not consider rent assistance grant money under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, or 3b.

Sec. 87. Minnesota Statutes 2024, section 466.131, is amended to read:

466.131 INDEMNIFICATION BY STATE.

Until July 1, 1987, a municipality is an employee of the state for purposes of the indemnification provisions of section 3.736, subdivision 9, when the municipality is required by the Public Welfare Licensing Act and rules promulgated under it to inspect or investigate a provider. After July 1, 1987, a municipality is an employee of the state for purposes of the indemnification provisions of section 3.736, subdivision 9, when the municipality is required by sections 245A.01 to 245A.16~~, the Human Services Licensing Act,~~ or chapter 142B and rules adopted under it to inspect or investigate a provider~~,~~ and the municipality has been duly certified under standards for certification developed by the ~~commissioner~~ commissioners of human services and children, youth, and families.

Sec. 88. Minnesota Statutes 2024, section 518.165, subdivision 5, is amended to read:

Subd. 5. **Procedure, criminal history, and maltreatment records background study.** (a) When the court requests a background study under subdivision 4, paragraph (a), the request shall be submitted to the Department of Human Services through the department's electronic online background study system.

(b) When the court requests a search of the National Criminal Records Repository, the court must provide a set of classifiable fingerprints of the subject of the study on a fingerprint card provided by the commissioner of human services.

(c) The commissioner of human services shall provide the court with criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension in the Department of Public Safety, other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of a minor under chapter 260E, and substantiated maltreatment of a vulnerable adult under section 626.557, within 15 working days of receipt of a request. If the subject of the study has been determined by the Department of Human Services; the Department of Children, Youth, and Families; or the Department of Health to be the perpetrator of substantiated maltreatment of a minor or vulnerable adult in a licensed facility, the response must include a copy of the public portion of the investigation memorandum under section 260E.30 or the public portion of the investigation memorandum under section 626.557, subdivision 12b. When the background study shows that the subject has been determined by a county adult protection or child protection agency to have been responsible for maltreatment, the court shall be informed of the county, the date of the finding, and the nature of the maltreatment that was substantiated. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data. When the commissioner finds no criminal history or substantiated maltreatment on a background study subject, the commissioner shall make these results available to the court electronically through the secure online background study system.

(d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner or county lead agency or lead investigative agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county may provide this information to the court that requested the background study.

Sec. 89. Minnesota Statutes 2024, section 524.5-106, is amended to read:

524.5-106 SUBJECT-MATTER JURISDICTION.

This article applies to, and the court has jurisdiction over, guardianship and related proceedings for individuals domiciled or present in this state, protective proceedings for individuals domiciled in or having property located in this state, and property coming into the control of a guardian or conservator who is subject to the laws of this state. This article does not apply to any matters or proceedings arising under or governed by chapters 252A, 259, and 260C. Notwithstanding anything else to the contrary, chapters 252A, 259, and 260C exclusively govern the rights, duties, and powers of social service agencies~~,~~; the commissioner of human services~~,~~; the commissioner of children, youth, and families; licensed child placing agencies~~,~~; and parties with respect to all matters and proceedings arising under those chapters.

Sec. 90. Minnesota Statutes 2024, section 524.5-118, subdivision 2, is amended to read:

Subd. 2. **Procedure; maltreatment and state licensing agency checks and criminal history check.** (a) The guardian or conservator shall request the Bureau of Criminal Apprehension to complete a criminal history check. The request must be accompanied by the applicable fee and acknowledgment that the guardian or conservator received a privacy notice. The Bureau of Criminal Apprehension shall conduct a national criminal history record check. The guardian or conservator shall submit a set of classifiable fingerprints. The fingerprints must be recorded on a fingerprint card provided by the Bureau of Criminal Apprehension.

(b) The Bureau of Criminal Apprehension shall provide the court with criminal history data as defined in section 13.87 and criminal history information from other states or jurisdictions as indicated from a national criminal history record check within 20 working days of receipt of a request.

(c) In accordance with section 245C.033, the commissioner of human services shall provide the court with data regarding substantiated maltreatment of vulnerable adults under section 626.557 and substantiated maltreatment of minors under chapter 260E within 25 working days of receipt of a request. If the guardian or conservator has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of any available public portion of the investigation memorandum under section 626.557, subdivision 12b, or any available public portion of the investigation memorandum under section 260E.30.

(d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner of human services; the commissioner of children, youth, and families; or a county lead agency or lead investigative agency has information that a person under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the commissioner or the county may provide this information to the court that is determining eligibility for the guardian or conservator.

Sec. 91. Minnesota Statutes 2024, section 595.02, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) The exception provided by paragraphs (d) and (g) of subdivision 1 shall not apply to any testimony, records, or other evidence relating to the abuse or neglect of a minor in any proceeding under chapter 260 or any proceeding under section 142B.20 or 245A.08, to revoke a day care or foster care license, arising out of the neglect or physical or sexual abuse of a minor, as defined in section 260E.03.

(b) The exception provided by paragraphs (d) and (g) of subdivision 1 shall not apply to criminal proceedings arising out of the neglect or physical or sexual abuse of a minor, as defined in section 260E.03, if the court finds that:

(1) there is a reasonable likelihood that the records in question will disclose material information or evidence of substantial value in connection with the investigation or prosecution; and

(2) there is no other practicable way of obtaining the information or evidence. This clause shall not be construed to prohibit disclosure of the patient record when it supports the otherwise uncorroborated statements of any material fact by a minor alleged to have been abused or neglected by the patient; and

(3) the actual or potential injury to the patient-health professional relationship in the treatment program affected, and the actual or potential harm to the ability of the program to attract and retain patients, is outweighed by the public interest in authorizing the disclosure sought.

No records may be disclosed under this paragraph other than the records of the specific patient suspected of the neglect or abuse of a minor. Disclosure and dissemination of any information from a patient record shall be limited under the terms of the order to assure that no information will be disclosed unnecessarily and that dissemination will be no wider than necessary for purposes of the investigation or prosecution.

Sec. 92. Minnesota Statutes 2024, section 626.5533, is amended to read:

626.5533 REPORTING POTENTIAL WELFARE FRAUD.

Subdivision 1. **Reports required.** A peace officer must report to the head of the officer's department every arrest where the person arrested possesses more than one welfare electronic benefit transfer card. Each report must include all of the following:

(1) the name of the suspect;

(2) the suspect's driver's license or state identification card number, where available;

(3) the suspect's home address;

(4) the number on each card;

(5) the name on each electronic benefit card in the possession of the suspect, in cases where the card has a name printed on it;

(6) the date of the alleged offense;

(7) the location of the alleged offense;

(8) the alleged offense; and

(9) any other information the commissioner of human services or the commissioner of children, youth, and families deems necessary.

Subd. 2. **Use of information collected.** The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must forward the report required under subdivision 1 to the ~~commissioner~~ commissioners of human services and children, youth, and families within 30 days of receiving the report. The ~~commissioner~~

commissioners of human services and children, youth, and families shall use the report to determine whether the suspect is authorized to possess any of the electronic benefit cards found in the suspect's possession.

Subd. 3. **Reporting forms.** The ~~commissioner~~ commissioners of human services and children, youth, and families, in consultation with the superintendent of the Bureau of Criminal Apprehension, shall adopt reporting forms to be used by law enforcement agencies in making the reports required under this section.

Sec. 93. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 299A.955, as Minnesota Statutes, section 142A.765, and make any necessary changes to statutory cross-references to reflect this change.

Sec. 94. **REVISOR INSTRUCTION.**

The revisor of statutes must move the subdivisions in Minnesota Statutes, section 142E.50, into Minnesota Statutes, section 142E.01, renumber in alphabetical order, and make any necessary changes to statutory cross-references to reflect these changes.

Sec. 95. **REPEALER.**

Minnesota Statutes 2024, sections 142A.15; 142E.50, subdivisions 2 and 12; 245A.02, subdivision 6d; 256G.02, subdivisions 3 and 5; and 261.003, are repealed.

ARTICLE 22

MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance entity to administer the state-based reinsurance program referred to as the Minnesota premium security plan.

(b) The association may apply for any available federal funding for the plan. All funds received by or appropriated to the association shall be deposited in the premium security plan account in section 62E.25, subdivision 1. The association shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance within ten days of receiving any federal funds.

(c) The association must collect or access data from an eligible health carrier that are necessary to determine reinsurance payments, according to the data requirements under subdivision 5, paragraph (c).

(d) The board must not use any funds allocated to the plan for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory changes.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, through August 15, 2026, the association must disburse all applicable reinsurance payments to an eligible health carrier.

(h) The association must disburse applicable reinsurance payments for claims costs incurred by eligible health carriers through December 31, 2025. Reinsurance payments are not available to eligible health carriers for claims costs incurred after December 31, 2025.

Sec. 2. **[62V.15] DEFINITIONS; PREMIUM SUBSIDY PROGRAM.**

Subdivision 1. **Scope.** For purposes of sections 62V.15 to 62V.18, the following terms have the meanings given.

Subd. 2. **Assessment.** "Assessment" means the amount a health plan company must pay for operational costs, administrative costs, and premium subsidy payments for the premium subsidy program established under section 62V.16.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 4. **Eligible individual.** (a) "Eligible individual" means a Minnesota resident who:

(1) is not eligible for an advance premium tax credit under Code of Federal Regulations, title 26, part 1.36B-2, in a month in which the eligible individual's coverage is effective;

(2) is not enrolled in public program coverage under chapters 256B and 256L; and

(3) purchased an individual health plan, as defined in section 62A.011.

(b) "Eligible individual" includes a person required to repay an advanced premium tax credit because the person's income was subsequently determined to exceed the maximum permissible amount to qualify as an applicable taxpayer under Code of Federal Regulations, title 26, part 1.36B-2.

Subd. 5. **Gross premium.** "Gross premium" means the amount billed for a health plan purchased by an eligible individual prior to a premium subsidy in a calendar year.

Subd. 6. **Health plan company.** "Health plan company" has the meaning given in section 62Q.01.

Subd. 7. **Net premium.** "Net premium" means the gross premium less the premium subsidy.

Subd. 8. **Premium subsidy.** "Premium subsidy" means a payment (1) made on behalf of an eligible individual to promote general welfare, and (2) that is not compensation for a service rendered.

Sec. 3. **[62V.16] PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE INDIVIDUALS.**

Subdivision 1. **Program established.** Beginning January 1, 2026, the board of directors of MNsure, in consultation with the commissioners of commerce and human services, must establish and administer the premium subsidy program authorized by this section to help eligible individuals pay for coverage in the individual market.

Subd. 2. **Premium subsidy provided.** (a) A health carrier must provide a premium subsidy to each eligible individual who purchases an individual health plan from the health carrier. The premium subsidy must be provided for each month the net premium is paid. An eligible individual must pay the net premium amount to the health carrier.

(b) Each premium subsidy must be equal to 20 percent of the monthly gross premium otherwise paid by or on behalf of the eligible individual for coverage purchased in the individual market that covers the eligible individual and the eligible individual's spouse and dependents.

(c) The premium subsidy must be excluded from a calculation used to determine eligibility for a Department of Human Services or Department of Children, Youth, and Families program.

Subd. 3. **Payments to health carriers.** (a) The commissioner must make payments by September 30 to health carriers on behalf of eligible individuals for the months during the prior calendar year for which the individual has paid the net premium amount to the health carrier. The amount of the commissioner's payments to health carriers must be in the amounts provided to the commissioner by the board under paragraph (c). The commissioner must not withhold payment because a health carrier cannot prove an enrollee is an eligible individual.

(b) In order to be eligible for payment, a health carrier seeking reimbursement from the board must submit an invoice and supporting information to the board, using a form developed by the board. The form must require the health carrier to identify the number of eligible individuals for which the health carrier is seeking reimbursement, the average gross premium for eligible individuals, and the aggregate amount of reimbursement claimed by the health carrier for premium subsidies under this section. The board must finalize the form by November 1, 2025.

(c) The board must provide the commissioner, based on the information received by the board from the health carriers pursuant to paragraph (b), the payment amount owed to each health carrier.

(d) The board must consider a health carrier as a vendor under section 16A.124, subdivision 3, and each monthly invoice must represent the services that have been completed or delivered.

(e) The commissioner, in consultation with the board, may withhold payments and charge back payments to recover from health carriers premium subsidies provided but that do not comply with the applicable legal requirements of this section.

Subd. 4. **Assessment.** (a) An annual assessment is imposed on health plan companies for each calendar year beginning in calendar year 2026. The commissioner of commerce must establish the annual assessment for each health plan company in an amount such that the aggregate assessment amount collected from health plan companies under this subdivision equals the amount necessary for the premium subsidy program established under subdivision 1.

(b) By March 1 each year, the commissioner of commerce must consult with the board of directors of MNsure and provide each health plan company with an estimate of the company assessment for the current calendar year.

(c) By May 31 each year, the commissioner of commerce, in consultation with the board of directors of MNsure, must notify each health plan company of the company's assessment for the current calendar year.

(d) By June 30 each year, the commissioner of commerce must collect assessments from health plan companies to pay for the premium subsidy program established under this section.

Subd. 5. **Data practices.** (a) The definitions in section 13.02 apply to this subdivision.

(b) Government data on an enrollee or health carrier under this section are private data on individuals or nonpublic data, except that the total reimbursement requested by a health carrier and the total state payment to the health carrier are public data.

Sec. 4. **[62V.17] APPLICABILITY OF GROSS PREMIUM.**

Notwithstanding premium subsidies provided under section 62V.16, subdivision 2, the premium base to calculate any applicable premium taxes under chapter 297I is the gross premium for health plans purchased by eligible individuals in the individual market.

Sec. 5. **[62V.18] PREMIUM SUBSIDY PROGRAM ACCOUNT.**

Subdivision 1. **Account established.** The premium subsidy program account is created in the special revenue fund in the state treasury.

Subd. 2. **Collected assessments.** The commissioner of commerce must deposit the assessments collected under section 62V.16, subdivision 4, in the premium subsidy program account created under subdivision 1.

Subd. 3. **Appropriations.** Money in the premium subsidy program account is annually appropriated:

(1) to the commissioner of management and budget for the payments to health carriers on behalf of eligible individuals under section 62V.16, subdivision 3; and

(2) to the board of directors of MNsure for operational and administrative costs for the premium subsidy program established under section 62V.16.

Sec. 6. Minnesota Statutes 2024, section 149A.02, is amended by adding a subdivision to read:

Subd. 42. **Green burial.** "Green burial" means a method of burial that emphasizes environmental sustainability without interfering with natural decomposition and:

(1) the body is not embalmed;

(2) a biodegradable casket or shroud is used; and

(3) no vault or outer burial container is employed for a casket or shroud.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration to reimburse manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration shall certify to the commissioner of management and budget the total amount expended in the prior fiscal year for:

(1) reimbursement to manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h); and

(2) costs incurred by the commissioner of administration in providing the reimbursement payments described in clause (1).

(c) The commissioner of management and budget shall transfer from the health care access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025, and each July 1 thereafter, an amount equal to the amount to which the commissioner of administration certified pursuant to paragraph (b).

Sec. 8. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 44. **Notification of federal approval; report.** (a) For any provision over which the commissioner has jurisdiction and that has an effective date contingent upon federal approval, whether the contingency is expressed in an effective date, in the text of a statutory provision, or in the text of an uncodified section of session law, the commissioner must notify the revisor of statutes of which enacted provisions contain such contingent federal approval and when federal approval is obtained for any such provision according to paragraphs (b) and (c).

(b) By July 1 of each year, the commissioner must provide the revisor of statutes; the director of the House Research Department; and the director of Senate Counsel, Research and Fiscal Analysis with a report containing a complete list of all provisions enacted since the preceding July 1 with an effective date contingent on federal approval.

(c) By September 1 of each year, the commissioner must provide the revisor of statutes; the director of the House Research Department; and the director of Senate Counsel, Research and Fiscal Analysis with a report containing a complete list of all statutory provisions previously enacted with an effective date contingent on federal approval. The commissioner must identify in the report which, if any, provisions received federal approval since the preceding September 1 and the date that federal approval for each provision was received. If no provisions have received federal approval since the

preceding September 1, the report must state that fact. The revisor of statutes may authorize the commissioner to remove federally approved provisions from subsequent reports submitted.

(d) The reports in paragraphs (b) and (c) must be provided in a form prescribed by the revisor of statutes.

(e) An employee in the Department of Human Services who is responsible for identifying and tracking federal approval of provisions must attest to the accuracy of the reports in a manner prescribed by the revisor of statutes.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2024, section 256B.051, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** An individual with a disability is eligible for housing stabilization services if the individual:

(1) is 18 years of age or older;

(2) is enrolled in medical assistance;

(3) has income at or below 150 percent of the federal poverty level;

(4) has an assessment of functional need that determines a need for services due to limitations caused by the individual's disability;

~~(4)~~ (5) resides in or plans to transition to a community-based setting as defined in Code of Federal Regulations, title 42, section 441.301 (c); and

~~(5)~~ (6) has housing instability evidenced by:

(i) being homeless or at-risk of homelessness;

(ii) being in the process of transitioning from, or having transitioned in the past six months from, an institution or licensed or registered setting;

(iii) being eligible for waiver services under chapter 256S or section 256B.092 or 256B.49; or

(iv) having been identified by a long-term care consultation under section 256B.0911 as at risk of institutionalization.

Sec. 10. **[306.991] GREEN BURIALS IN PUBLIC CEMETERIES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

(c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

(d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

(e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision 14.

(f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

Subd. 2. **Green burial requirements.** A municipality, town, or other cemetery governed by this chapter that allows for green burials must comply with the requirements of this section.

Subd. 3. **Green burial plot locations.** (a) Green burial plots must have a designated location within the cemetery. Green burial plot locations must:

(1) be set back 50 feet from property lines;

(2) maintain at least three and one-half feet clearance above the ordinary high-water level;

(3) not be in standing water;

(4) not be within zone 1 groundwater source protection zones around a spring, water supply well, or a shaft drilled into the ground meant to extract water; and

(5) not be within flood-prone areas.

(b) Green burial plot locations must be a certain distance from water sources. Green burial plot locations must be:

(1) 50 feet from water supply wells and shafts drilled into the ground used to extract water;

(2) 100 feet from other springs or watercourses; and

(3) 33 feet from drainage systems.

Subd. 4. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and one-half feet from the base of the grave to the soil horizon.

(b) Green burials must have three and one-half feet of cover.

Subd. 5. **Burial density.** Green burial plots must be a maximum of 300 burials per acre over a 100 year period.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 11. **[306.992] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

(c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

Subd. 2. **Designated location.** A municipality, town, or other cemetery governed by this chapter that allows for scattering of hydrolyzed remains or cremated remains must designate a location within the cemetery for the scattering of hydrolyzed remains or cremated remains.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 12. **[307.14] GREEN BURIALS IN PRIVATE CEMETERIES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

(c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

(d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

(e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision 14.

(f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

Subd. 2. **Green burial requirements.** A person who owns a cemetery governed by this chapter that allows for green burials must comply with the requirements of this section.

Subd. 3. **Green burial plot locations.** (a) Green burial plots must have a designated location within the cemetery. Green burial plot locations must:

(1) be set back 50 feet from property lines;

(2) maintain at least three and one-half feet clearance above the ordinary high-water level;

(3) not be in standing water;

(4) not be within zone 1 groundwater source protection zones around a spring, water supply well, or a shaft drilled into the ground meant to extract water; and

(5) not be within flood-prone areas.

(b) Green burial plot locations must be a certain distance from water sources. Green burial plot locations must be:

(1) 50 feet from water supply wells and shafts drilled into the ground used to extract water;

(2) 100 feet from other springs or watercourses; and

(3) 33 feet from drainage systems.

Subd. 4. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and one-half feet from the base of the grave to the soil horizon.

(b) Green burials must have three and one-half feet of cover.

Subd. 5. **Burial density.** Green burial plots must be a maximum of 300 burials per acre over a 100 year period.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 13. **[307.15] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

(c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

Subd. 2. **Designated location.** A person who owns a cemetery governed by this chapter that allows for scattering of hydrolyzed remains or cremated remains must designate a location within the cemetery for the scattering of hydrolyzed or cremated remains.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. Laws 2024, chapter 127, article 67, section 6, is amended to read:

Sec. 6. **COMMISSIONER OF MANAGEMENT AND BUDGET**

Appropriations by Fund		
	2024	2025
General	-0-	(232,000)
Health Care Access	-0-	100,000

(a) **Insulin safety net program.** $100,000 in fiscal year 2025 is from the health care access fund for the insulin safety net program in Minnesota Statutes, section 151.74.

(b) **Transfer.** The commissioner must transfer from the health care access fund to the insulin ~~safety net program~~ repayment account in the special revenue fund the amount certified by the commissioner of administration under Minnesota Statutes, section 151.741, subdivision 5, paragraph (b), estimated to be $100,000 in fiscal year 2025, for reimbursement to manufacturers for insulin dispensed under the insulin safety net program in Minnesota Statutes, section 151.74. The base for this transfer is estimated to be $100,000 in fiscal year 2026 and $100,000 in fiscal year 2027.

(c) **Base Level Adjustment.** The health care access fund base is increased by $100,000 in fiscal year 2026 and increased by $100,000 in fiscal year 2027.

Sec. 15. **TRANSFERS TO THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES IN UNCODIFIED LAW.**

Any power, duty, or responsibility given to the commissioner of human services or the Department of Human Services in an uncodified section of Laws of Minnesota that is a part of, necessary for, or in service of a power, duty, or responsibility transferred in Laws 2023, chapter 70, article 12, section 30, or Laws 2024, chapter 80, transfers to the commissioner of children, youth, and families or the Department of Children, Youth, and Families upon the notice of transfer of the underlying power, duty, or responsibility required in Laws 2023, chapter 70, article 12, section 30, subdivision 1. This section applies to uncodified sections of Laws of Minnesota enacted before and after Laws 2023, chapter 70, including but not limited to Laws 2024, chapter 117, sections 16 to 22.

Sec. 16. **OPERATION WITHIN EXISTING RESOURCES.**

The board of directors of MNsure may, if necessary, operate and administer the premium subsidy program established under Minnesota Statutes, section 62V.16, in nonconformance with that section to the minimum extent necessary, using existing resources and available processes until January 1, 2027.

Sec. 17. **DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.**

(a) The commissioner of children, youth, and families shall allocate $1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 from the child care and development block grant for child care improvement grants under Minnesota Statutes, section 142D.20, subdivision 3, paragraph (a), clause (7). This is a onetime allocation.

(b) The commissioner of children, youth, and families shall allocate $55,000 in fiscal year 2026, $639,000 in fiscal year 2027, $1,639,000 in fiscal year 2028, and $1,638,000 in fiscal year 2029 from the child care and development block grant for the development of a statewide electronic attendance and record keeping system for the child care assistance program.

(c) The commissioner of children, youth, and families shall allocate $1,419,000 in fiscal year 2026, $4,221,000 in fiscal year 2027, $4,791,000 in fiscal year 2028, and $4,885,000 in fiscal year 2029 from the child care and development block grant for MFIP child care assistance to comply with federal requirements.

(d) The commissioner of children, youth, and families shall allocate $2,662,000 in fiscal year 2026, $5,479,000 in fiscal year 2027, $5,482,000 in fiscal year 2028, and $5,196,000 in fiscal year 2029 from the child care and development block grant for basic sliding fee child care assistance to comply with federal requirements.

Sec. 18. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; ALLOCATION OF TANF-ELIGIBLE GENERAL FUND EXPENDITURES.**

The commissioner of children, youth, and families must identify $4,000,000 in fiscal year 2026, $4,000,000 in fiscal year 2027, $4,000,000 in fiscal year 2028, and $4,000,000 in fiscal year 2029 of general fund expenditures attributable to eligible activities under Minnesota Statutes, chapter 142G, and reduce general fund expenditures by the same amounts. The commissioner must allocate $4,000,000 in fiscal year 2026, $4,000,000 in fiscal year 2027, $4,000,000 in fiscal year 2028, and $4,000,000 in fiscal year 2029 to eligible activities under Minnesota Statutes, chapter 142G, to the TANF fund.

Sec. 19. **REVISOR INSTRUCTION.**

By February 1, 2026, the revisor of statutes must identify any changes to Minnesota Statutes and Minnesota Rules necessary to reflect the expiration of the Minnesota premium security plan and the premium security account. The revisor of statutes may submit to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce finance and policy draft legislation with the statutory changes necessary to implement the identified changes.

Sec. 20. **REPEALER.**

Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; and 62E.25, are repealed.

EFFECTIVE DATE. This section is effective August 16, 2026.

ARTICLE 23

FORECAST ADJUSTMENTS

Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70, article 20, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2025" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2025.

	APPROPRIATIONS Available for the Year Ending June 30 2025
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**	
Subdivision 1. **Total Appropriation**	**$ (224,693,000)**

	Appropriations by Fund 2025
General	(202,264,000)
Health Care Access	(17,144,000)
Federal TANF	(5,285,000)

Subd. 2. **Forecasted Programs**

(a) **Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP)**

	Appropriations by Fund 2025
General	(5,238,000)
Federal TANF	(5,285,000)

(b) **MFIP Child Care Assistance** (57,918,000)

(c) **General Assistance** 1,932,000

(d) **Minnesota Supplemental Aid** 3,278,000

(e) **Housing Support** 9,569,000

(f) **Northstar Care for Children** (9,006,000)

(g) **MinnesotaCare** (16,701,000)

This appropriation is from the health care access fund.

(h) **Medical Assistance**

	Appropriations by Fund 2025
General	(155,544,000)
Health Care Access	(443,000)

(i) **Behavioral Health Fund** 10,633,000

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 24

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of human services 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. **COMMISSIONER OF HUMAN SERVICES**	$ 3,271,313,000	$ 3,434,480,000

Subdivision 1. **Total Appropriation**

	Appropriations by Fund	
	2026	2027
General	1,987,159,000	2,177,961,000
State Government Special Revenue	4,273,000	4,273,000
Health Care Access	1,279,188,000	1,251,553,000
Lottery Prize	163,000	163,000
Family and Medical Benefit Insurance	530,000	530,000

The amounts that may be spent for each purpose are specified in this article.

Subd. 2. **Information Technology Appropriations**

(a) **IT appropriations generally.** This appropriation includes money for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service-level agreement and paid to Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(b) **Receipts for systems project.** Appropriations and federal receipts for information technology systems projects for MMIS and METS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services deems necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

Sec. 3. **CENTRAL OFFICE; OPERATIONS**

Subdivision 1. **Total Appropriation**	**$ 166,091,000**	**$ 171,233,000**
Appropriations by Fund		
General	143,905,000	147,520,000
State Government Special Revenue	248,000	248,000
Health Care Access	21,408,000	22,935,000
Family and Medical Benefits Insurance	530,000	530,000

Subd. 2. **Administrative Recovery; Set-Aside**

The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

(1) the statewide data management system authorized in Minnesota Statutes, section 125A.744, subdivision 3;

(2) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 245.495, paragraph (b);

(3) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);

(4) targeted case management under Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);

(5) residential services for children with severe emotional disturbance under Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and

(6) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

Subd. 3. **Family and Medical Benefit Insurance**

$530,000 each year is from the family and medical benefit insurance fund for systems costs to administer Minnesota Statutes, chapter 268B.

Subd. 4. **Base Level Adjustment**

The general fund base for this section is $148,206,000 in fiscal year 2028 and $149,166,000 in fiscal year 2029.

Sec. 4. **CENTRAL OFFICE; HEALTH CARE**

Subdivision 1. **Total Appropriation**			**$**	**69,393,000**	**$**	**65,729,000**
	Appropriations by Fund					
General	41,225,000	37,561,000				
Health Care Access	28,168,000	28,168,000				

Subd. 2. **Base Level Adjustment**

The general fund base for this section is $37,588,000 in fiscal year 2028 and $37,588,000 in fiscal year 2029.

Sec. 5. **CENTRAL OFFICE; AGING AND DISABILITY SERVICES**			**$**	**49,290,000**	**$**	**49,194,000**

	Appropriations by Fund	
General	49,165,000	49,069,000
State Government Special Revenue	125,000	125,000

Sec. 6. **CENTRAL OFFICE; BEHAVIORAL HEALTH** **$ 22,775,000 $ 22,159,000**

	Appropriations by Fund	
General	22,612,000	21,996,000
Lottery Prize	163,000	163,000

Psychiatric Residential Treatment Facility Report. $500,000 in fiscal year 2026 is from the general fund for the development of the psychiatric residential treatment facility report and proposed legislation. This is a onetime appropriation and is available until June 30, 2027.

Sec. 7. **CENTRAL OFFICE; HOMELESSNESS, HOUSING, AND SUPPORT SERVICES** **$ 7,065,000 $ 6,421,000**

Sec. 8. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL**

Subdivision 1. **Total Appropriation** **$ 36,262,000 $ 37,456,000**

	Appropriations by Fund	
General	31,421,000	32,615,000
State Government Special Revenue	3,900,000	3,900,000
Health Care Access	941,000	941,000

Subd. 2. **Base Level Adjustment**

The general fund base for this section is $32,671,000 in fiscal year 2028 and $32,617,000 in fiscal year 2029.

Sec. 9. **FORECASTED PROGRAMS; GENERAL ASSISTANCE** **$ 84,138,000 $ 86,462,000**

Emergency General Assistance

(a) The amount appropriated for emergency general assistance is up to $6,729,812 in

fiscal year 2026 and up to $6,729,812 in fiscal year 2027.

(b) Money to counties for emergency general assistance shall be allocated by the commissioner using the allocation method under Minnesota Statutes, section 256D.06, subdivision 2, paragraph (c).

Sec. 10. **FORECASTED PROGRAMS; MINNESOTA SUPPLEMENTAL ASSISTANCE** **$ 67,113,000 $ 69,089,000**

Sec. 11. **FORECASTED PROGRAMS; HOUSING SUPPORT** **$ 269,258,000 $ 279,703,000**

Sec. 12. **FORECASTED PROGRAMS; MINNESOTACARE** **$ 106,426,000 $ 169,731,000**

This appropriation is from the health care access fund.

Sec. 13. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE** **$ 2,137,399,000 $ 2,219,809,000**

Appropriations by Fund		
General	1,018,619,000	1,193,496,000
Health Care Access	1,118,780,000	1,026,313,000

The health care access fund base for this section is $990,107,000 in fiscal year 2028 and $999,798,000 in fiscal year 2029.

Sec. 14. **GRANT PROGRAMS; CHILD AND COMMUNITY SERVICES GRANTS** **$ 5,655,000 $ 5,655,000**

Sec. 15. **GRANT PROGRAMS; REFUGEE SERVICES GRANTS** **$ 100,000 $ 100,000**

Sec. 16. **GRANT PROGRAMS; HEALTH CARE GRANTS** **$ 8,176,000 $ 8,176,000**

Subdivision 1. **Total Appropriations**

Appropriations by Fund		
General	4,711,000	4,711,000
Health Care Access	3,465,000	3,465,000

Subd. 2. **Legal Referral and Assistance Grants**

$100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are from the general fund for legal referral and assistance grants under Minnesota Statutes, section 142A.40.

Subd. 3. **Grants for Integrated Care for High-Risk Pregnant Women**

$2,089,000 in fiscal year 2026 and $2,089,000 in fiscal year 2027 are from the general fund for grants to improve birth outcomes and strengthen early parental resilience for pregnant women who are medical assistance enrollees, are at significantly elevated risk for adverse outcomes of pregnancy, and are in targeted populations under Minnesota Statutes, section 256B.79.

Subd. 4. **MinnesotaCare Application Assistance Bonuses**

$3,115,000 in fiscal year 2026 and $3,115,000 in fiscal year 2027 are from the health care access fund for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in MinnesotaCare under Minnesota Statutes, section 256.962, subdivision 5.

Subd. 5. **Medical Assistance Application Assistance Bonuses**

$320,000 in fiscal year 2026 and $320,000 in fiscal year 2027 are from the general fund for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota Statutes, section 256.962, subdivision 5.

Subd. 6. **Medical Assistance Application Assistance Bonuses**

$310,000 in fiscal year 2026 and $310,000 in fiscal year 2027 are from the health care access fund for application assistance

bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota Statutes, section 256.962, subdivision 5.

Subd. 7. **Medical Assistance Outreach Grants**

$90,000 in fiscal year 2026 and $90,000 in fiscal year 2027 are from the general fund for grants to public and private organizations, regional collaboratives, and regional health care outreach centers for outreach activities for medical assistance under Minnesota Statutes, section 256.962, subdivision 2.

Subd. 8. **MinnesotaCare Outreach Grants**

$40,000 in fiscal year 2026 and $40,000 in fiscal year 2027 are from the health care access fund for grants to public and private organizations, regional collaboratives, and regional health care outreach centers for outreach activities for MinnesotaCare under Minnesota statutes, section 256.962, subdivision 2.

Subd. 9. **Grants for Periodic Data Matching for Medical Assistance and MinnesotaCare**

$2,112,000 in fiscal year 2026 and $2,112,000 in fiscal year 2027 are from the general fund for grants to counties for costs related to periodic data matching for medical assistance and MinnesotaCare recipients under Minnesota Statutes, section 256B.0561.

Sec. 17. **GRANT PROGRAMS; DISABILITIES GRANTS** **$ 1,780,000 $ 1,780,000**

Grants to Community-Based HIV/AIDS Support Services Providers. $4,000,000 in fiscal year 2026 and $4,000,000 in fiscal year 2027 are for grants to community-based HIV/AIDS support services providers.

Sec. 18. **GRANT PROGRAMS; HOUSING AND SUPPORT SERVICES GRANTS** **$ 89,570,000 $ 92,911,000**

Subdivision 1. **Family Supportive Housing Grant Program**

$700,000 in fiscal year 2026 is for the family supportive housing grant program. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Grant for Catholic Charities Homeless Elders Program**

$959,000 in fiscal year 2026 is for a grant to Catholic Charities of St. Paul and Minneapolis for the homeless elders program that helps homeless, isolated, and low-income older adults to move into stable housing. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. **Emergency Services Grants**

$25,000,000 in fiscal year 2026 and $30,000,000 in fiscal year 2027 are from the general fund for emergency services grants under Minnesota Statutes, section 256K.49.

Subd. 4. **Homeless Youth Act Grants**

$15,136,000 in fiscal year 2026 and $15,136,000 in fiscal year 2027 are from the general fund for Homeless Youth Act grants under Minnesota Statutes, section 256K.45.

Subd. 5. **Safe Harbor Shelter and Housing Grants**

$1,250,000 in fiscal year 2026 and $1,250,000 in fiscal year 2027 are from the general fund for safe harbor shelter and housing grants under Minnesota Statutes, section 256K.47.

Subd. 6. **Transitional Housing Program Grants**

$3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are from the general fund for transitional housing program grants under Minnesota Statutes, section 256K.48.

Subd. 7. **Long-Term Homeless Supportive Services Grants**

$6,910,000 in fiscal year 2026 and $6,910,000 in fiscal year 2027 are from the general fund for long-term homeless supportive services grants under Minnesota Statutes, section 256K.26.

Sec. 19. **GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS** **$ 110,977,000 $ 110,977,000**

Subdivision 1. **Early Episode of Bipolar Disorder Grants**

$125,000 in fiscal year 2026 and $125,000 in fiscal year 2027 are for early episode of bipolar disorder grants under Minnesota Statutes, section 245.4905.

Subd. 2. **Cultural and Ethnic Minority Infrastructure Grants**

$2,891,000 in fiscal year 2026 and $2,891,000 in fiscal year 2027 are from the general fund for cultural and ethnic minority infrastructure grants under Minnesota Statutes, section 245.4903.

Subd. 3. **Grants for Adult Mental Health Culturally Specific Services**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the general fund for grants to support increased availability of culturally responsive mental health services for racial and ethnic minorities by providing internship placements and clinical supervision to emerging mental health professionals under Minnesota Statutes, section 245.4661, subdivision 9.

Subd. 4. **Mental Health Provider Supervision Grant Program**

$1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027 are from the general fund for the mental health provider

supervision grant program under Minnesota Statutes, section 245.4663.

Subd. 5. **Mobile Crisis Grants to Tribal Nations**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for mobile crisis grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15), to Tribal Nations.

Subd. 6. **Adult Mental Illness Crisis Housing Assistance Program Grants**

$610,000 in fiscal year 2026 and $610,000 in fiscal year 2027 are from the general fund for adult mental illness crisis housing assistance program grants under Minnesota Statutes, section 245.99.

Subd. 7. **Grants for Persons With Serious and Persistent Mental Illness**

$21,000,000 in fiscal year 2026 and $21,000,000 in fiscal year 2027 are from the general fund for grants to counties to establish, operate, or contract with private providers to provide services to help persons with serious and persistent mental illness under Minnesota Statutes, section 256K.10.

Subd. 8. **South Central Crisis Center Grant**

$600,000 in fiscal year 2026 and $600,000 in fiscal year 2027 are from the general fund for a grant to a community collaborative providing crisis center services in the Mankato area that are comparable to the crisis services provided prior to the closure of the Mankato Crisis Center under Laws 2010, First Special Session chapter 1, article 25, section 3, subdivision 10, paragraph (a), clause (1).

Subd. 9. **Projects for Assistance in Transition From Homelessness Program Grants**

$4,792,000 in fiscal year 2026 and $4,792,000 in fiscal year 2027 are from the general fund for projects for assistance in

transition from homelessness program grants under Minnesota Statutes, section 245.991.

Subd. 10. **Transition to Community Initiative Grants**

$1,811,000 in fiscal year 2026 and $1,811,000 in fiscal year 2027 are from the general fund for transition to community initiative grants under Minnesota Statutes, section 256.478.

Sec. 20. **GRANT PROGRAMS; CHILD MENTAL HEALTH GRANTS** **$ 37,625,000 $ 35,675,000**

Subdivision 1. **Grant to Mental Health Collaboration Hub Innovation Pilot Program**

$750,000 in fiscal year 2026 is for a grant to the Mental Health Collaboration Hub for the Mental Health Collaboration Hub innovation pilot program. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Psychiatric Residential Treatment Start-Up and Capacity-Building Grants**

$200,000 in fiscal year 2026 is for a grant to Clay County under Minnesota Statutes, section 256B.0941, subdivision 5, for a new 18-bed psychiatric residential treatment facility in Clay County. This is a onetime appropriation and is available until June 30, 2029.

Subd. 3. **Grant to Clay County for Psychiatric Residential Treatment Facility**

$1,000,000 in fiscal year 2026 is for a grant to Clay County for the purchase of equipment and final redesign and remodeling for the conversion of the West Central Regional Juvenile Center nonsecure unit into an 18-bed psychiatric residential treatment facility for persons younger than 21 years of age, under Minnesota Statutes, section 256B.0941. This is a onetime appropriation.

Subd. 4. **Adverse Childhood Experience Grants**

$363,000 in fiscal year 2026 and $363,000 in fiscal year 2027 are from the general fund for grants to provide training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (13).

Subd. 5. **Children's Mental Health Screening Grants**

$4,412,000 in fiscal year 2026 and $4,412,000 in fiscal year 2027 are from the general fund for grants to county child welfare agencies and juvenile justice agencies for children's mental health screening and follow-up diagnostic assessment and treatment under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (7).

Subd. 6. **Early Intervention Capacity Grants**

$1,024,000 in fiscal year 2026 and $1,024,000 in fiscal year 2027 are from the general fund for grants to provider agencies for building evidence-based mental health intervention capacity for children from birth to age five under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (10).

Subd. 7. **Cultural and Ethnic Minority Mental Health Grants**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the general fund for grants to provider agencies for mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (6).

Subd. 8. **Evidence-Based Practices Grants**

$750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are from the general fund for services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8).

Subd. 9. **Person-Centered Discharge Planning Grants**

$250,000 in fiscal year 2026 and $250,000 in fiscal year 2027 are from the general fund for grants to develop and support a person-centered discharge planning process for adults and children being discharged from psychiatric residential treatment facilities, child and adolescent behavioral health hospitals, and hospital settings under Laws 2022, chapter 99, article 3, section 14, paragraph (b).

Subd. 10. **Early Childhood Mental Health Consultation Grants**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for early childhood mental health consultation under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (15).

Subd. 11. **Mental Health First Aid Training Grants**

$23,000 in fiscal year 2026 and $23,000 in fiscal year 2027 are from the general fund for grants for mental health first aid training under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (12).

Subd. 12. **First Episode of Psychosis Grants**

$1,651,000 in fiscal year 2026 and $1,651,000 in fiscal year 2027 are from the general fund for grants to provide evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis under Minnesota

Statutes, section 245.4889, subdivision 1, paragraph (b), clause (16).

Subd. 13. **Suicide Prevention and Counseling Text Message Grants**

$1,125,000 in fiscal year 2026 and $1,125,000 in fiscal year 2027 are from the general fund for suicide prevention and counseling services that use text messaging statewide under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (11).

Subd. 14. **School-Linked Behavioral Health Grants**

$2,750,000 in fiscal year 2026 and $2,750,000 in fiscal year 2027 are from the general fund for school-linked behavioral health grants under Minnesota Statutes, section 245.4901.

Subd. 15. **Shelter-Linked Behavioral Health Grants**

$2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are from the general fund for shelter-linked behavioral health grants under Minnesota Statutes, section 256K.46.

Sec. 21. **GRANT PROGRAMS; OPERATIONS GRANTS** **$ 2,220,000 $ 2,220,000**

Fraud Prevention Investigation Grants. $3,018,000 in fiscal year 2026 and $3,018,000 in fiscal year 2027 are from the general fund for fraud prevention investigation grants under Minnesota Statutes, section 256.983.

Sec. 22. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among general assistance, medical assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support program, and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Subd. 3. **Temporary authority for interagency transfers with Department of Children, Youth, and Families.** Beginning July 1, 2025, and until September 30, 2025, administrative money may be transferred between the Department of Human Services and Department of Children, Youth, and Families as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families quarterly about transfers made under this section.

Sec. 23. **CANCELLATIONS.**

Subdivision 1. **School-linked behavioral health grants.** $3,000,000 of the fiscal year 2025 general fund appropriation in Laws 2024, chapter 127, article 67, section 2, subdivision 9, paragraph (a), is canceled to the general fund.

Subd. 2. **New American legal, social services, and long-term care workforce grant program.** $7,000,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 25, is canceled to the general fund.

Subd. 3. **Mobile crisis grants.** $1,672,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 29, paragraph (e), is canceled to the general fund.

Subd. 4. **Child mental health grants.** $250,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to the general fund.

Subd. 5. **Emergency medical assistance legal referral costs.** $100,000 of the 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 26, is canceled to the general fund.

Subd. 6. **Grants to navigators.** $800,000 of the fiscal year 2024 health care access fund appropriation in Laws 2023, chapter 22, section 4, subdivision 2, is canceled to the health care access fund.

Subd. 7. **Mille Lacs Band of Ojibwe American Indian child welfare initiative.** $5,294,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 22, paragraph (b), is canceled to the general fund.

Subd. 8. **Transition grant program.** $293,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 20, paragraph (b), is canceled to the general fund.

Subd. 9. **Grant to administer pool of qualified individuals for assessments.** $250,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 22, paragraph (k), is canceled to the general fund.

Subd. 10. **IT systems improvements for children and families.** $10,000,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 4, paragraph (g), is canceled to the general fund.

EFFECTIVE DATE. This section is effective the day following final enactment or retroactively from June 30, 2025, whichever is earlier.

Sec. 24. **GRANT ADMINISTRATION COSTS.**

The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 25. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

Sec. 26. Laws 2023, chapter 70, article 20, section 2, subdivision 30, is amended to read:

Subd. 30. **Grant Programs; Child Mental Health Grants**	44,487,000	~~37,934,000~~ 37,734,000

(a) **Psychiatric residential treatment facility start-up grants.** $1,000,000 in fiscal year 2024 and ~~$1,000,000~~ $800,000 in fiscal year 2025 are for psychiatric residential treatment facility start-up grants under Minnesota Statutes, section 256B.0941, subdivision 5. This is a onetime appropriation and is available until June 30, 2027.

(b) **African American Child Wellness Institute.** $2,000,000 in fiscal year 2024 is for a grant to the African American Child Wellness Institute to provide culturally specific mental health and substance use disorder services under Minnesota Statutes, section 245.0961. This is a onetime appropriation and is available until June 30, 2027.

(c) **Base level adjustment.** The general fund base is $34,648,000 in fiscal year 2026 and $34,648,000 in fiscal year 2027.

ARTICLE 25

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS

Section 1. **CHILDREN, YOUTH, AND FAMILIES 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. **COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES**	**$ 1,351,499,000**	**$ 1,417,679,000**

Appropriations by Fund

	2026	2027
General	1,047,846,000	1,093,564,000
State Government Special Revenue	732,000	732,000
Federal TANF	302,921,000	323,383,000

The amounts that may be spent for each purpose are specified in the following sections.

Sec. 3. **TANF MAINTENANCE OF EFFORT**

Subdivision 1. **Nonfederal Expenditures**

The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's maintenance of effort requirements of the TANF block grant specified under Code of Federal Regulations,

title 45, section 263.1. In order to meet these basic TANF maintenance of effort requirements, the commissioner may report as TANF maintenance of effort expenditures only nonfederal money expended for allowable activities listed in the following clauses:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 142G;

(2) the child care assistance programs under Minnesota Statutes, sections 142E.04 and 142E.08, and county child care administrative costs under Minnesota Statutes, section 142E.02, subdivision 9;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 142G and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 142G and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671, and child tax credit expenditures under Minnesota Statutes, section 290.0661;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 142D.12.

Subd. 2. **Nonfederal Expenditures; Reporting**

For the activities listed in subdivision 1, clauses (2) to (8), the commissioner may report only expenditures that are excluded

from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

Subd. 3. **Supplemental Expenditures**

The commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this section.

Subd. 4. **Reduction of Appropriations; Exception**

The requirement in Minnesota Statutes, section 142A.06, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF funds.

Subd. 5. **IT Appropriations Generally**

This appropriation includes funds for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service level agreement and paid to Minnesota IT Services by the Department of Children, Youth, and Families under the rates and mechanism specified in that agreement.

Subd. 6. **Receipts for Systems Project**

Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, ISDS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 142A.04. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the

commissioner of children, youth, and families considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

Subd. 7. **Federal SNAP Education and Training Grants**

Federal funds available during fiscal years 2026 and 2027 for Supplemental Nutrition Assistance Program Education and Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of human services for the purposes allowable under the terms of the federal award. This subdivision is effective the day following final enactment.

Sec. 4. **OPERATIONS AND ADMINISTRATION; AGENCY-WIDE SUPPORTS**

Subdivision 1. **Total Appropriation** **$ 108,490,000 $ 101,268,000**

	Appropriations by Fund	
	2026	2027
General	107,658,000	102,100,000
State Government Special Revenue	732,000	732,000
Federal TANF	100,000	100,000

Subd. 2. **Information Technology**

$10,000,000 in fiscal year 2026 is from the general fund for information technology improvements to SSIS. This is a onetime appropriation.

Subd. 3. **Child Welfare Fiscal Analysis**

$250,000 in fiscal year 2026 is from the general fund to contract with a third-party consultant to conduct an independent fiscal analysis of the child welfare system in Minnesota. This is a onetime appropriation and is available until June 30, 2029.

Subd. 4. **Base Level Adjustment**

The general fund base for this section is $101,100,000 in fiscal year 2028 and $101,100,000 in fiscal year 2029.

Sec. 5. **OPERATIONS AND ADMINISTRATION; CHILD SAFETY AND PERMANENCY** **$ 17,232,000 $ 16,945,000**

Sec. 6. **OPERATIONS AND ADMINISTRATION; EARLY CHILDHOOD** **$ 17,166,000 $ 12,698,000**

Subdivision 1. **Child Care Attendance and Record-Keeping System**

$5,500,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are to develop a statewide electronic attendance and record-keeping system for the child care assistance program. The base for this appropriation is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 2. **Base Level Adjustment**

The general fund base for this section is $11,698,000 in fiscal year 2028 and $11,698,000 in fiscal year 2029.

Sec. 7. **OPERATIONS AND ADMINISTRATION; ECONOMIC OPPORTUNITY AND YOUTH SERVICES** **$ 4,110,000 $ 3,562,000**

Scan of and Report on Out-of-School and Youth Programming. $402,000 in fiscal year 2026 is to conduct the scan of and prepare the out-of-school and youth programming report. This is a onetime appropriation.

Sec. 8. **OPERATIONS AND ADMINISTRATION; FAMILY WELL-BEING** **$ 14,147,000 $ 14,147,000**

Appropriations by Fund

	2026	2027
General	10,471,000	10,471,000
Federal TANF	3,676,000	3,676,000

Sec. 9. **FORECASTED PROGRAMS; MFIP/DWP** **$ 230,473,000 $ 268,167,000**

Appropriations by Fund	2026	2027
General	99,272,000	116,504,000
Federal TANF	131,201,000	151,663,000

Sec. 10. **FORECASTED PROGRAMS; MFIP CHILD CARE ASSISTANCE** **$ 100,244,000 $ 137,333,000**

Sec. 11. **FORECASTED PROGRAMS; NORTHSTAR CARE FOR CHILDREN** **$ 110,214,000 $ 116,160,000**

Sec. 12. **GRANT PROGRAMS; SUPPORT SERVICES GRANTS** **$ 111,359,000 $ 111,359,000**

Subdivision 1. **Total Appropriations**

Appropriations by Fund	2026	2027
General	14,908,000	14,908,000
Federal TANF	96,451,000	96,451,000

Subd. 2. **MFIP Consolidated Fund Grants**

$8,715,000 in fiscal year 2026 and $8,715,000 in fiscal year 2027 are from the general fund for MFIP consolidated fund grants under Minnesota Statutes, section 142G.76.

Subd. 3. **Fraud Prevention Investigation Grants**

$1,768,000 in fiscal year 2026 and $1,768,000 in fiscal year 2027 are from the general fund for fraud prevention investigation grants to counties under Minnesota Statutes, section 256.983.

Subd. 4. **Injury Protection for Work Experience Participants Grants**

$10,000 in fiscal year 2026 and $10,000 in fiscal year 2027 are from the general fund for grants for injury protection for work experience participants under Minnesota Statutes, section 142G.62.

Sec. 13. **GRANT PROGRAMS; BASIC SLIDING FEE CHILD ASSISTANCE CARE GRANTS** **$ 137,768,000 $ 135,212,000**

Sec. 14. **GRANT PROGRAMS; CHILD CARE DEVELOPMENT GRANTS** **$ 139,120,000 $ 138,819,000**

Subdivision 1. **St. Cloud Area School District Preschool Programs Grant**

$301,000 in fiscal year 2026 is for a grant to Independent School District No. 742 for the Preschool 4 Success program operated with the Rotary Club of St. Cloud. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Family, Friend, and Neighbor Grant Program**

$2,225,000 in fiscal year 2026 and $2,225,000 in fiscal year 2027 are from the general fund for the family, friend, and neighbor grant program under Minnesota Statutes, section 142D.24.

Subd. 3. **Grants for Child Care Resource and Referral Programs**

$1,007,000 in fiscal year 2026 and $1,007,000 in fiscal year 2027 are from the general fund for grants to organizations operating child care resource and referral programs under Minnesota Statutes, section 142E.31.

Subd. 4. **Child Care Workforce Development Grants Administration**

$1,300,000 in fiscal year 2026 and $1,300,000 in fiscal year 2027 are from the general fund for a grant to the statewide child care resource and referral network to administer child care workforce development grants under Minnesota Statutes, section 142E.31, subdivision 5, clause (10).

Subd. 5. **Great Start Compensation Support Payments**

$129,887,000 in fiscal year 2026 and $129,887,000 in fiscal year 2027 are from the general fund for the great start compensation support payments under Minnesota Statutes, section 142D.21.

Subd. 6. **Teacher Education and Compensation Helps Grants**

$695,000 in fiscal year 2026 and $695,000 in fiscal year 2027 are from the general fund for teacher education and compensation helps (TEACH) grants under Minnesota Statutes, section 142D.31.

Subd. 7. **Early Childhood Registered Apprenticeship Grant Program**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for early childhood registered apprenticeship grants under Minnesota Statutes, section 142D.32.

Subd. 8. **Retaining Early Educators Through Attaching Incentives Now (REETAIN) Grant Program**

$750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are from the general fund for REETAIN grants under Minnesota Statutes, section 142D.30.

Sec. 15. **GRANT PROGRAMS; CHILD SUPPORT ENFORCEMENT GRANTS**	**$ 50,000**	**$ 50,000**
Sec. 16. **GRANT PROGRAMS; CHILDREN'S SERVICES GRANTS**	**$ 41,704,000**	**$ 41,705,000**

Subdivision 1. **Restorative Practices Initiatives Grants**

The base funding for restorative practices initiatives grants under Minnesota Statutes, section 142A.76, subdivision 5, is reduced by $1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027.

Subd. 2. **Fostering Connections to Success and Increasing Adoptions Act**

The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 142A.61, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

Subd. 3. **Indian Child Welfare Grants**

$6,122,000 in fiscal year 2026 and $6,122,000 in fiscal year 2027 are from the general fund for Indian child welfare grants under Minnesota Statutes, section 260.785.

Subd. 4. **Family First Prevention Services Act Support and Development Grants**

$4,100,000 in fiscal year 2026 and $4,100,000 in fiscal year 2027 are from the general fund for family first prevention services act support and development grants under Minnesota Statutes, section 142A.45.

Subd. 5. **Family First Prevention Services Act Kinship Navigator Program Grants**

$506,000 in fiscal year 2026 and $507,000 in fiscal year 2027 are from the general fund for family first prevention services act kinship navigator program grants under Minnesota Statutes, section 142A.451.

Subd. 6. **Family First Prevention Services Act Prevention and Early Intervention Allocation Grants**

$6,000,000 in fiscal year 2026 and $6,000,000 in fiscal year 2027 are from the general fund for family first prevention

services act prevention and early intervention allocation grants under Minnesota Statutes, section 142A.452.

Subd. 7. **Grants for Court-Appointed Counsel in Child Protection Proceedings**

$520,000 in fiscal year 2026 and $520,000 in fiscal year 2027 are from the general fund for county costs, including administrative costs to obtain Title IV-E federal reimbursement, related to court-appointed counsel in child protection proceedings pursuant to Minnesota Statutes, section 260C.163, subdivision 3, under Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 22, paragraph (b).

Subd. 8. **Quality Parenting Initiative Grants**

$100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are from the general fund for a grant to Quality Parenting Initiative Minnesota for quality parenting initiative grants under Minnesota Statutes, section 245.0962.

Subd. 9. **Child Protection Grants to Address Child Welfare Disparities**

$1,650,000 in fiscal year 2026 and $1,650,000 in fiscal year 2027 are from the general fund for child protection grants to address child welfare disparities under Minnesota Statutes, section 142A.417.

Subd. 10. **Grants for American Indian Child Welfare Projects**

$32,901,000 in fiscal year 2026 and $32,901,000 in fiscal year 2027 are from the general fund for grants for American Indian child welfare projects under Minnesota Statutes, section 142A.03, subdivision 9.

Subd. 11. **Grant for the White Earth Band of Ojibwe Human Services Project**

$1,400,000 in fiscal year 2026 and $1,400,000 in fiscal year 2027 are from the general fund for a grant to the White Earth

Band of Ojibwe for the direct implementation and administrative costs of the White Earth Band of Ojibwe human services project under Laws 2011, First Special Session chapter 9, article 9, section 18.

Subd. 12. **Grant for Red Lake Nation Human Services Initiative Project**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for a grant to the Red Lake Nation for the direct implementation and administrative costs of the Red Lake human services initiative project authorized under Minnesota Statutes, sections 256.01, subdivision 2, paragraph (a), clause (7), and 142A.03, subdivision 2, paragraph (e), clause (7).

Subd. 13. **African American and Disproportionately Represented Family Preservation Grants**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for African American and disproportionately represented family preservation grants under Minnesota Statutes, section 260.693.

Subd. 14. **African American Family Preservation and Child Welfare Disproportionality Act**

$3,251,000 in fiscal 2026 and $3,110,000 in fiscal year 2027 are from the general fund for the commissioner of children, youth, and families to implement the African American Family Preservation and Child Welfare Disproportionality Act under Minnesota Statutes, sections 260.61 to 260.693.

Sec. 17. **GRANT PROGRAMS; CHILD AND COMMUNITY SERVICE GRANTS** **$ 87,984,000** **$ 87,984,000**

Subdivision 1. **Child Welfare Allocation Grants**

$23,870,000 in fiscal year 2026 and $23,870,000 in fiscal year 2027 are from the general fund for child welfare allocation

grants under Minnesota Statutes, section 256M.41.

Subd. 2. **Opiate Epidemic Response Fund Child Protection Grants**

$3,243,000 in fiscal year 2026 and $3,243,000 in fiscal year 2027 are from the general fund for opiate epidemic response fund child protection grants under Minnesota Statutes, section 256.043, subdivision 3, paragraph (m).

Subd. 3. **Child Welfare Staff Allocation for Tribes**

$799,000 in fiscal year 2026 and $799,000 in fiscal year 2027 are from the general fund for grants to Tribes for child welfare staffing under Minnesota Statutes, section 260.786.

Sec. 18. **GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS** **$ 18,216,000** **$ 18,216,000**

Subdivision 1. **Regional Food Bank Grants**

$3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are for regional food bank grants under Minnesota Statutes, section 142F.16. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. **Minnesota Food Shelf Program**

$2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are for food shelf programs grants under Minnesota Statutes, section 142F.14. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. **Prepared Meals Food Relief Grants**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are for prepared meals food relief grants under Minnesota Statutes, section 142F.141. This is a onetime appropriation and is available until June 30, 2027.

Subd. 4. **Financial Assistance for Community Action Agencies**

$4,928,000 in fiscal year 2026 and $4,928,000 in fiscal year 2027 are from the general fund for community action grants under Minnesota Statutes, section 142F.30.

Subd. 5. **Family Assets for Independence Grants**

$325,000 in fiscal year 2026 and $325,000 in fiscal year 2027 are from the general fund for family assets for independence grants under Minnesota Statutes, section 142F.20.

Subd. 6. **Diaper Distribution Grants**

$553,000 in fiscal year 2026 and $553,000 in fiscal year 2027 are from the general fund for diaper distribution grants under Minnesota Statutes, section 142A.42.

Subd. 7. **Supplemental Nutrition Assistance Outreach Program Grants**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for supplemental nutrition assistance outreach program grants under Minnesota Statutes, section 142F.12.

Subd. 8. **Minnesota Food Assistance Program Grants**

$1,675,000 in fiscal year 2026 and $1,675,000 in fiscal year 2027 are from the general fund for Minnesota food assistance program grants under Minnesota Statutes, section 142F.13.

Subd. 9. **American Indian Food Sovereignty Funding Program Grants**

$2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are from the general fund for American Indian food sovereignty funding program grants under Minnesota Statutes, section 142F.15.

Subd. 10. **Food Shelf Grants**

$4,318,000 in fiscal year 2026 and $4,318,000 in fiscal year 2027 are from the general fund for food shelf grants under Minnesota Statutes, section 142F.14.

Subd. 11. **Base Level Adjustment**

The general fund base for this section is $12,216,000 in fiscal year 2028 and $12,216,000 in fiscal year 2029.

Sec. 19. **GRANT PROGRAMS; EARLY LEARNING GRANTS** **$ 132,838,000** **$ 132,838,000**

Subdivision 1. **Early Childhood Literacy Programs**

The base funding for early childhood literacy programs under Minnesota Statutes, section 142D.12, subdivision 3, is reduced by $7,950,000 in fiscal year 2026 and $7,950,000 in fiscal year 2027.

Subd. 2. **Grants for Early Learning Scholarships**

$97,290,000 in fiscal year 2026 and $97,290,000 in fiscal year 2027 are from the general fund for early learning scholarships grants under Minnesota Statutes, section 142D.25.

Subd. 3. **Early Childhood Family Education Grants**

$39,779,000 in fiscal year 2026 and $41,444,000 in fiscal year 2027 are from the general fund for early childhood family education grants under Minnesota Statutes, section 142D.11.

Subd. 4. **Early Childhood Literacy Program Grants**

$7,950,000 in fiscal year 2026 and $7,950,000 in fiscal year 2027 are from the general fund for early childhood literacy program grants under Minnesota Statutes, section 142D.12.

Subd. 5. **Grants for Grow Your Own Early Childhood and Family Educator Programs**

$325,000 in fiscal year 2025 and $325,000 in fiscal year 2027 are from the general fund for grants for grow your own early childhood and family educator programs under Minnesota Statutes, section 142D.33.

Subd. 6. **Head Start Program Grants**

$34,398,000 in fiscal year 2026 and $34,398,000 in fiscal year 2027 are from the general fund for head start program grants under Minnesota Statutes, section 142D.12.

Subd. 7. **School Readiness Plus Program Grants**

$900,000 in fiscal year 2026 and $900,000 in fiscal year 2027 are from the general fund for school readiness plus program grants under Minnesota Statutes, section 142D.07.

Subd. 8. **Reach Out and Read Minnesota Grant**

$250,000 in fiscal year 2026 and $250,000 in fiscal year 2027 are for a grant to Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics under Laws 2023, chapter 54, section 20, subdivision 20.

Subd. 9. **Grants for School Readiness Programs**

$33,683,000 in fiscal year 2026 and $33,683,000 in fiscal year 2027 are from the general fund for grants for school readiness programs under Minnesota Statutes, section 142D.05.

Sec. 20. **GRANT PROGRAMS; YOUTH SERVICES GRANTS** **$ 8,891,000 $ 8,891,000**

Subdivision 1. **Grants-in-Aid to Youth Intervention Programs**

$6,391,000 in fiscal year 2026 and $6,391,000 in fiscal year 2027 are from the general fund for grants to youth intervention

programs under Minnesota Statutes, section 142A.43.

Subd. 2. **Office of Restorative Practices**

$2,500,000 in fiscal year 2026 and $2,500,000 in fiscal year 2027 are from the general fund for the Office of Restorative Practices under Minnesota Statutes, section 142A.76.

Sec. 21. **TECHNICAL ACTIVITIES** **$ 71,493,000 $ 71,493,000**

This appropriation is from the federal TANF fund.

Sec. 22. **TRANSFERS.**

Subdivision 1. **Programs and grants.** The commissioner of children, youth, and families, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among MFIP; MFIP child care assistance under Minnesota Statutes, section 142E.08; the entitlement portion of Northstar Care for Children under Minnesota Statutes, sections 142A.60 to 142A.612; and early childhood family education under Minnesota Statutes, section 142D.11, between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Children, Youth, and Families as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance quarterly about transfers made under this subdivision.

Subd. 3. **Temporary authority for interagency transfers with Department of Human Services.** Beginning July 1, 2025, and until September 30, 2025, administrative money may be transferred between the Department of Children, Youth, and Families and Department of Human Services or the Department of Education as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Sec. 23. **CANCELLATION; ESTABLISHING THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

$8,500,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 12, paragraph (b), is canceled to the general fund.

EFFECTIVE DATE. This section is effective the day following final enactment or retroactively from June 30, 2025, whichever is earlier.

Sec. 24. **GRANT ADMINISTRATION COSTS.**

The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 25. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

ARTICLE 26

DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. **HEALTH APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of health 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. **COMMISSIONER OF HEALTH**	**$ 434,678,000**	**$ 431,109,000**

Appropriations by Fund

	2026	2027
General	271,963,000	269,808,000
State Government Special Revenue	96,237,000	95,769,000
Health Care Access	54,765,000	53,819,000
Federal TANF	11,713,000	11,713,000

The amounts that may be spent for each purpose are specified in this article.

Sec. 3. **HEALTH IMPROVEMENT**

Subdivision 1. **Total Appropriation**	**$ 291,695,000**	**$ 286,591,000**

Appropriations by Fund		
General	217,370,000	214,658,000
State Government Special Revenue	9,258,000	9,258,000
Health Care Access	53,354,000	50,962,000
Federal TANF	11,713,000	11,713,000

Subd. 2. **Substance Use Treatment, Recovery, and Prevention Grants**

$3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are from the general fund for substance use treatment, recovery, and prevention grants under Minnesota Statutes, section 342.72.

Subd. 3. **Local and Tribal Public Health Cannabis Grants**

$7,756,000 in fiscal year 2026 and $7,756,000 in fiscal year 2027 are from the general fund for grants under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 4. **Cannabis and Substance Misuse Prevention and Education Programs; Youth Prevention and Education Program**

$5,000,000 in fiscal year 2026 and $5,000,000 in fiscal year 2027 are from the general fund for the youth prevention and education program under the cannabis and substance misuse prevention and education programs under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 5. **Cannabis and Substance Misuse Prevention and Education Programs; Prevention and Education**

Program for Pregnant and Breastfeeding Individuals and Individuals Who May Become Pregnant

$2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are from the general fund for the prevention and education program for pregnant and breastfeeding individuals and individuals who may become pregnant under the cannabis and substance misuse prevention and education programs under Minnesota Statutes, section 144.197, subdivision 2.

Subd. 6. **Cannabis and Substance Misuse Prevention and Education Programs; Local and Tribal Health Departments**

$10,000,000 in fiscal year 2026 and $10,000,000 in fiscal year 2027 are from the general fund for the local and Tribal health departments under the cannabis and substance misuse prevention and education programs under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 7. **Cannabis Data Collection and Biennial Reports**

$493,000 in fiscal year 2026 and $493,000 in fiscal year 2027 are from the general fund for cannabis data collection and biennial reports under Minnesota Statutes, section 144.196.

Subd. 8. **Administration of Expungement Orders**

$71,000 in fiscal year 2026 and $71,000 in fiscal year 2027 are from the general fund for the administration of expungement orders under Laws 2023, chapter 63, article 9, section 10, subdivision 6.

Subd. 9. **Minnesota Poison Information Centers; Establishment**

$810,000 in fiscal year 2026 and $810,000 in fiscal year 2027 are from the general fund for Minnesota poison information centers under Minnesota Statutes, section 145.93.

Subd. 10. **Testing**

$690,000 in fiscal year 2026 and $690,000 in fiscal year 2027 are from the general fund for testing under Laws 2023, chapter 63, article 9, section 10, subdivision 9.

Subd. 11. **Sexual and Reproductive Health Services Grants**

$11,550,000 in fiscal year 2026 and $11,550,000 in fiscal year 2027 are from the general fund for sexual and reproductive health services grants under Minnesota Statutes, section 145.925.

Subd. 12. **Fetal Alcohol Syndrome Effects; Drug-Exposed Infant**

$3,222,000 in fiscal year 2026 and $3,222,000 in fiscal year 2027 are from the general fund for fetal alcohol syndrome effects for drug exposed infant grants under Minnesota Statutes, section 145.9265.

Subd. 13. **Fetal Alcohol Spectrum Disorders**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are from the general fund for fetal alcohol spectrum disorders grants under Minnesota Statutes, section 145.267.

Subd. 14. **Hearing Aid Loan Bank Grants**

$69,000 in fiscal year 2026 and $69,000 in fiscal year 2027 are from the general fund for hearing aid loan bank grants.

Subd. 15. **Special Health Needs Grants**

$160,000 in fiscal year 2026 and $160,000 in fiscal year 2027 are from the general fund for special health needs grants.

Subd. 16. **Minnesota Birth Defects Information System**

$432,000 in fiscal year 2026 and $432,000 in fiscal year 2027 are from the general fund for the Minnesota birth defects information

system under Minnesota Statutes, section 145.2215.

Subd. 17. **Early Hearing Detection and Intervention Program; Support Services for Families**

$590,000 in fiscal year 2026 and $590,000 in fiscal year 2027 are from the general fund for the early hearing detection and intervention programs; support services for families, direct hearing loss specific parent-to-parent assistance under Minnesota Statutes, section 144.966, subdivision 3a, paragraph (a), clause (1).

Subd. 18. **Early Hearing Detection and Intervention Program; Support Services for Families**

$156,000 in fiscal year 2026 and $156,000 in fiscal year 2027 are from the general fund for the early hearing detection and intervention programs; support services for families, individualized deaf or hard-of-hearing mentors who provide education under Minnesota Statutes, section 144.966, subdivision 3a, paragraph (a), clause (2).

Subd. 19. **Nurse-Family Partnership Programs**

$2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are from the general fund for the nurse-family partnership programs under Minnesota Statutes, section 145A.145.

Subd. 20. **Home Visiting for Pregnant Women and Families with Young Children**

$15,345,000 in fiscal year 2026 and $15,345,000 in fiscal year 2027 are from the general fund for home visiting for pregnant women and families with young children under Minnesota Statutes, section 145.87.

Subd. 21. **Improving Infant Health Grants**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for improving infant health

grants under Minnesota Statutes, section 145.9574, subdivision 2.

Subd. 22. **Developmental and Social-Emotional Screening with Follow-Up**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for developmental and social-emotional screening with follow-up under Minnesota Statutes, section 145.9575.

Subd. 23. **Promising Practice Home Visiting Program**

$1,800,000 in fiscal year 2026 and $1,800,000 in fiscal year 2027 are from the general fund for the promising practice home visiting program under Minnesota Statutes, section 145.87, subdivision 1, paragraph (e).

Subd. 24. **School-Based Health Centers**

$2,300,000 in fiscal year 2026 and $2,300,000 in fiscal year 2027 are from the general fund for school-based health centers under Minnesota Statutes, section 145.903.

Subd. 25. **Comprehensive Drug Overdose and Morbidity Prevention Act**

$370,000 in fiscal year 2026 and $370,000 in fiscal year 2027 are from the general fund for the comprehensive drug overdose and morbidity prevention act under Minnesota Statutes, section 144.0528.

Subd. 26. **Local Public Health Grant**

$28,665,000 in fiscal year 2026 and $28,665,000 in fiscal year 2027 are from the general fund for local public health grants under Minnesota Statutes, section 145A.131.

Subd. 27. **Tobacco Use Prevention**

$4,921,000 in fiscal year 2026 and $4,921,000 in fiscal year 2027 are from the general fund for tobacco use prevention under Minnesota Statutes, section 144.396.

Subd. 28. **Public Health Infrastructure Funds**

$6,000,000 in fiscal year 2026 and $6,000,000 in fiscal year 2027 are from the general fund for public health infrastructure funds under Laws 2023, chapter 70, article 20, section 20, subdivision 2, paragraph (d).

Subd. 29. **Funding Formula for Community Health Boards**

$9,844,000 in fiscal year 2026 and $9,844,000 in fiscal year 2027 are from the general fund for funding formula for community health boards grants for funding formula for foundational public health responsibilities under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

Subd. 30. **Public Health AmeriCorps**

$321,000 in fiscal year 2026 and $321,000 in fiscal year 2027 are from the general fund for Public Health AmeriCorps under Minnesota Statutes, section 144.0759.

Subd. 31. **Cannabis and Substance Misuse Prevention and Education Programs; Local and Tribal Health Departments**

$3,756,000 in fiscal year 2026 and $3,756,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse prevention and education program for local and Tribal health departments under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 32. **Cannabis and Substance Misuse Prevention and Education Programs; Local and Tribal Health Departments**

$1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse prevention and education program for local and Tribal health departments under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 33. **Local and Tribal Public Health Emergency Preparedness and Response Grant Program**

$8,400,000 in fiscal year 2026 and $8,400,000 in fiscal year 2027 are from the general fund for the local and Tribal public health emergency preparedness and response grant program under Minnesota Statutes, section 145A.135.

Subd. 34. **Special Grants**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for special grants under Minnesota Statutes, section 145A.14.

Subd. 35. **Special Grants; Tribal Governments**

$1,166,000 in fiscal year 2026 and $1,166,000 in fiscal year 2027 are from the general fund for special grants to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a.

Subd. 36. **Eliminating Health Disparities**

$3,142,000 in fiscal year 2026 and $3,142,000 in fiscal year 2027 are from the general fund for eliminating health disparities under Minnesota Statutes, section 145.928.

Subd. 37. **Community Solutions for Healthy Child Development Grant Program**

$2,415,000 in fiscal year 2026 and $2,415,000 in fiscal year 2027 are from the general fund for the community solutions for healthy child development grant program under Minnesota Statutes, section 145.9285.

Subd. 38. **African American Health Special Emphasis Grant Program**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for the African American health special emphasis grant program under Minnesota Statutes, section 144.0756.

Subd. 39. **Office of American Indian Health**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for the Office of American Indian Health under Minnesota Statutes, section 144.0757.

Subd. 40. **Indian Health Grants; Grants to Tribes**

$535,000 in fiscal year 2026 and $535,000 in fiscal year 2027 are from the general fund for Indian health grants to Tribes under Minnesota Statutes, section 145A.14, subdivision 2b.

Subd. 41. **Rural Hospital Capital Improvement Grant Program**

$1,755,000 in fiscal year 2026 and $1,755,000 in fiscal year 2027 are from the general fund for the rural hospital capital improvement grant program under Minnesota Statutes, section 144.148.

Subd. 42. **Special Grants; Indian Health Grants**

$174,000 in fiscal year 2026 and $174,000 in fiscal year 2027 are from the general fund for special grants for Indian health grants under Minnesota Statutes, section 145A.14, subdivision 2.

Subd. 43. **Community Clinic Grants**

$311,000 in fiscal year 2026 and $311,000 in fiscal year 2027 are from the general fund for community clinic grants under Minnesota Statutes, section 145.9268.

Subd. 44. **Comprehensive Advanced Life Support**

$508,000 in fiscal year 2026 and $508,000 in fiscal year 2027 are from the general fund for comprehensive advanced life support under Minnesota Statutes, section 144.6062.

Subd. 45. **Health Care Grants for the Uninsured; Dental Providers**

$50,000 in fiscal year 2026 and $50,000 in fiscal year 2027 are from the general fund for health care grants for the uninsured to dental providers under Minnesota Statutes, section 145.929, subdivision 1.

Subd. 46. **Health Care Grants for the Uninsured; Community Mental Health Programs**

$175,000 in fiscal year 2026 and $175,000 in fiscal year 2027 are from the general fund for the health care grants for the uninsured to community mental health programs, under Minnesota Statutes, section 145.929, subdivision 2.

Subd. 47. **Health Care Grants for the Uninsured; Emergency Medical Assistance Outlier Grant Program**

$590,000 in fiscal year 2026 and $590,000 in fiscal year 2027 are from the general fund for the health care grants for the uninsured to the emergency medical assistance outlier grant program under Minnesota Statutes, section 145.929, subdivision 3.

Subd. 48. **Federally Qualified Health Centers**

$2,425,000 in fiscal year 2026 and $2,425,000 in fiscal year 2027 are from the general fund for federally qualified health centers under Minnesota Statutes, section 145.9269.

Subd. 49. **Medical Education; Distribution of Funds**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the general fund for funding medical education and research costs under Minnesota Statutes, section 62J.692, subdivision 4.

Subd. 50. **Health Professional Education Loan Forgiveness Program**

$1,600,000 in fiscal year 2026 and $1,600,000 in fiscal year 2027 are from the

general fund for the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501.

Subd. 51. **Health Professionals Clinical Training Expansion and Rural and Underserved Clinical Rotations Grant Program; Programs**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for the health professionals clinical training expansion and rural and underserved clinical rotations grant program under Minnesota Statutes, section 144.1505, subdivision 2.

Subd. 52. **Health Professionals Clinical Training Expansion and Rural and Underserved Clinical Rotations Grant Program; Program Oversight**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are from the general fund for program oversight grants for the health professionals clinical training expansion and rural and underserved clinical rotations grant program under Minnesota Statutes, section 144.1505, subdivision 5.

Subd. 53. **Primary Care Residency Expansion Grant Program; Program Oversight**

$1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027 are from the general fund for program oversight grants for the primary care residency expansion grant program under Minnesota Statutes, section 144.1506, subdivision 5.

Subd. 54. **Home and Community-Based Services Employee Scholarship and Loan Forgiveness Program**

$1,450,000 in fiscal year 2026 and $1,450,000 in fiscal year 2027 are from the general fund for the home and community-based services employee scholarship and loan forgiveness program under Minnesota Statutes, section 144.1503.

Subd. 55. **Federally Qualified Health Centers Registered Apprenticeship Grant Program**

$690,000 in fiscal year 2026 and $690,000 in fiscal year 2027 are from the general fund for the federally qualified health centers registered apprenticeship grant program under Minnesota Statutes, section 145.9272.

Subd. 56. **Primary Care Residency Expansion Grant Program**

$400,000 in fiscal year 2026 and $400,000 in fiscal year 2027 are from the general fund for the primary care residency expansion grant program under Minnesota Statutes, section 144.1506.

Subd. 57. **Pediatric Primary Care Mental Health Training Grant Program**

$900,000 in fiscal year 2026 and $900,000 in fiscal year 2027 are from the general fund for the pediatric primary care mental health training grant program under Minnesota Statutes, section 144.1509.

Subd. 58. **Mental Health Cultural Community Continuing Education Grant Program**

$450,000 in fiscal year 2026 and $450,000 in fiscal year 2027 are from the general fund for the mental health cultural community continuing education grant program under Minnesota Statutes, section 144.1511.

Subd. 59. **Clinical Dental Education Innovation Grants**

$1,122,000 in fiscal year 2026 and $1,122,000 in fiscal year 2027 are from the general fund for clinical dental education innovation grants under Minnesota Statutes, section 144.1913.

Subd. 60. **Comprehensive Drug Overdose and Morbidity Prevention Act**

$7,520,000 in fiscal year 2026 and $7,520,000 in fiscal year 2027 are from the general fund for the Comprehensive Drug

Overdose and Morbidity Prevention Act under Minnesota Statutes, section 144.0528.

Subd. 61. **Minnesota Poison Information Centers; Establishment**

$2,379,000 in fiscal year 2026 and $2,379,000 in fiscal year 2027 are from the general fund for Minnesota poison information centers under Minnesota Statutes, section 145.93.

Subd. 62. **Suicide Prevention**

$1,977,000 in fiscal year 2026 and $1,977,000 in fiscal year 2027 are from the general fund for suicide prevention under Minnesota Statutes, section 145.56.

Subd. 63. **Sage Cancer Screening Grants**

$518,000 in fiscal year 2026 and $518,000 in fiscal year 2027 are from the general fund for Sage Cancer Screening grants.

Subd. 64. **Regional Navigator Grants**

$4,120,000 in fiscal year 2027 are from the general fund for regional navigator grants under Minnesota Statutes, section 145.4717.

Subd. 65. **Substance Use Treatment, Recovery, and Prevention Grants**

$4,950,000 in fiscal year 2026 and $4,950,000 in fiscal year 2027 are from the general fund for substance use treatment, recovery, and prevention grants under Minnesota Statutes, section 342.72.

Subd. 66. **Community Health Workers; Grants Authorized**

$750,000 in fiscal year 2026 and $750,000 in fiscal year 2027 are from the general fund for community health workers grants under Minnesota Statutes, section 144.1462.

Subd. 67. **Long COVID and Related Conditions; Assessment and Monitoring**

$900,000 in fiscal year 2026 and $900,000 in fiscal year 2027 are from the general fund for long COVID and related conditions assessment and monitoring under Minnesota Statutes, section 145.361.

Subd. 68. **Alzheimer's Public Information Program**

$80,000 in fiscal year 2026 and $80,000 in fiscal year 2027 are from the general fund for the Alzheimer's public information program under Laws 2023, chapter 70, article 20, section 3, subdivision 2, paragraph (v).

Subd. 69. **Labor Trafficking Services Grant Program**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are from the general fund for the labor trafficking services grant program under Minnesota Statutes, section 144.3885.

Subd. 70. **Safe Harbor Regional Navigator**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the general fund for safe harbor regional navigator grants under Laws 2023, chapter 70, article 20, section 3, subdivision 2, paragraph (nn).

Subd. 71. **Cannabis and Substance Misuse Prevention and Education Programs; Youth Prevention and Education Program**

$1,500,000 in fiscal year 2026 and $1,500,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse youth prevention and education program under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 72. **Minnesota Poison Information Centers; Establishment**

$795,000 in fiscal year 2026 and $795,000 in fiscal year 2027 are from the general fund for the Minnesota poison information centers under Minnesota Statutes, section 145.93.

Subd. 73. **Statewide Health Improvement Program; Grants to Local Communities**

$14,364,000 in fiscal year 2026 and $14,364,000 in fiscal year 2027 are from the health care access fund for the statewide health improvement program grants to local communities under Minnesota Statutes, section 145.986, subdivision 1a.

Subd. 74. **Primary Care Residency Training Grant Program**

$4,060,000 in fiscal year 2026 and $4,060,000 in fiscal year 2027 are from the health care access fund for the primary care residency training grant program under Minnesota Statutes, section 144.1507.

Subd. 75. **Health Professionals Clinical Training Expansion and Rural and Underserved Clinical Rotations Grant Programs**

$..... in fiscal year 2026 and $..... in fiscal year 2027 are from the health care access fund for the health professionals clinical training expansion and rural and underserved clinical rotations grant programs under Minnesota Statutes, section 144.1505.

Subd. 76. **International Medical Graduates Assistance Program**

$420,000 in fiscal year 2026 and $420,000 in fiscal year 2027 are from the health care access fund for the international medical graduates assistance program under Minnesota Statutes, section 144.1911.

Subd. 77. **Clinical Health Care Training; Site-Based Clinical Training Grants**

$4,657,000 in fiscal year 2026 and $3,451,000 in fiscal year 2027 are from the health care access fund for the clinical health care site-based clinical training grants under Minnesota Statutes, section 144.1508; Laws 2023, chapter 70, article 20, section 3, subdivision 2, paragraph (n), clause (3).

Subd. 78. **Health Professionals Education Loan Forgiveness Program**

$6,740,000 in fiscal year 2026 and $6,740,000 in fiscal year 2027 are from the health care access fund for the health professionals education loan forgiveness program under Minnesota Statutes, section 144.1501.

Subd. 79. **Medical Education**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the health care access fund for medical education under Minnesota Statutes, section 62J.692.

Subd. 80. **Community Clinics Grants**

$250,000 in fiscal year 2026 and $250,000 in fiscal year 2027 are from the health care access fund for community clinic grants under Minnesota Statutes, section 145.9268.

Subd. 81. **Rural Hospital Planning and Transition Grant Program**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the health care access fund for the rural hospital planning and transition grant program under Minnesota Statutes, section 144.147.

Subd. 82. **Greater Minnesota Family Medicine Residency Grant Program**

$1,000,000 in fiscal year 2026 and $1,000,000 in fiscal year 2027 are from the health care access fund for the greater Minnesota family medicine residency grant program under Minnesota Statutes, section 144.1912.

Subd. 83. **Summer Health Care Interns**

$300,000 in fiscal year 2026 and $300,000 in fiscal year 2027 are from the health care access fund for summer health care interns under Minnesota Statutes, section 144.1464.

Subd. 84. **National Health Service Match; Federal NHSC Match Grants**

$100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are from the health care access fund for National Health Service Match; Federal NHSC Match Grants.

Subd. 85. **Federally Qualified Health Centers**

$219,000 in fiscal year 2026 and $219,000 in fiscal year 2027 are from the health care access fund for federally qualified health centers under Minnesota Statutes, section 145.9269.

Subd. 86. **International Medical Graduates Assistance Program**

$867,000 in fiscal year 2026 and $867,000 in fiscal year 2027 are from the health care access fund for the international medical graduates assistance program under Minnesota Statutes, section 144.1911.

Subd. 87. **Health Care Grants for the Uninsured; Dental Providers**

$63,000 in fiscal year 2026 and $63,000 in fiscal year 2027 are from the health care access fund for health care grants for the uninsured to dental providers under Minnesota Statutes, section 145.929, subdivision 1.

Subd. 88. **Health Care Grants for the Uninsured; Community Mental Health Programs**

$219,000 in fiscal year 2026 and $219,000 in fiscal year 2027 are from the health care access fund for the health care grants for the uninsured for community mental health programs under Minnesota Statutes, section 145.929, subdivision 2.

Subd. 89. **Health Care Grants for the Uninsured; Emergency Medical Assistance Outlier Grant Program**

$725,000 in fiscal year 2026 and $725,000 in fiscal year 2027 are from the health care

access fund for the health care grants for the uninsured for the emergency medical assistance outlier grant program under Minnesota Statutes, section 145.929, subdivision 3.

Subd. 90. **Grant for "Treat Yourself First" Campaign**

$237,000 is from the general fund for a grant to the Minnesota Medical Association for the "Treat Yourself First" campaign. The campaign must be an awareness and education campaign focused on burnout and well-being of health care workers designed to:

(1) reduce the stigma of receiving mental health services;

(2) encourage health care workers who are experiencing workplace-related fatigue to receive the care they need; and

(3) normalize the process for seeking help.

The campaign must be targeted to health care professionals, including but not limited to physicians, nurses, dentists, pharmacists, and other members of the health care team. The campaign must include resources for health care professionals seeking help to address burnout and well-being. This is a onetime appropriation and is available until June 30, 2029.

Subd. 91. **Grant for African American-Focused Homeplace Program**

$475,000 in fiscal year 2026 is from the general fund for a grant to the Birth Justice Collaborative to strengthen and implement the current model of the African American-focused Homeplace in Hennepin County. This is a onetime appropriation and is available until June 30, 2029.

Subd. 92. **TANF Appropriations**

TANF funds must be used as follows:

(1) $3,579,000 in fiscal year 2026 and $3,579,000 in fiscal year 2027 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(2) $2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are from the TANF fund for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7;

(3) $4,978,000 in fiscal year 2026 and $4,978,000 in fiscal year 2027 are from the TANF fund for the family home visiting grant program under Minnesota Statutes, section 145A.17. Of these amounts, $4,000,000 in fiscal year 2026 and $4,000,000 in fiscal year 2027 must be distributed to community health boards under Minnesota Statutes, section 145A.131, subdivision 1; and $978,000 in fiscal year 2026 and $978,000 in fiscal year 2027 must be distributed to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a;

(4) $1,156,000 in fiscal year 2026 and $1,156,000 in fiscal year 2027 are from the TANF fund for sexual and reproductive health services grants under Minnesota Statutes, section 145.925; and

(5) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

Subd. 93. **TANF Carryforward**

Any unexpended balance of the TANF appropriation in the first year does not cancel but is available in the second year.

Subd. 94. **Base Level Adjustment**

The general fund base for this section is $213,725,000 in fiscal year 2028 and $213,725,000 in fiscal year 2029.

Sec. 4. **HEALTH PROTECTION**

Subdivision 1. **Total Appropriation**			**$**	**121,207,000**	**$**	**120,269,000**
	Appropriations by Fund					
General	34,228,000	33,758,000				
State Government Special Revenue	86,979,000	86,511,000				

Subd. 2. **Speech Language Pathology Assistants Fee Adjustment**

$95,000 in fiscal year 2026 is from the general fund for onetime costs incurred in fiscal year 2025 to implement Minnesota Statutes, sections 148.511 to 148.5198.

Subd. 3. **Lead Abatement Program**

$479,000 in fiscal year 2026 and $479,000 in fiscal year 2027 are from the general fund for the lead abatement program under Minnesota Statutes, section 144.9512.

Subd. 4. **Healthy Housing Grants**

$240,000 in fiscal year 2026 and $240,000 in fiscal year 2027 are from the general fund for healthy housing grants under Minnesota Statutes, section 144.9513.

Subd. 5. **Lead Remediation in School and Child Care Settings Grant Program**

$239,000 in fiscal year 2026 and $239,000 in fiscal year 2027 are from the general fund for lead remediation in school and child care settings grant program under Minnesota Statutes, section 145.9275.

Subd. 6. **Refugee Health and TB Grants**

$245,000 in fiscal year 2026 and $245,000 in fiscal year 2027 are from the general fund for refugee health and TB grants.

Subd. 7. **HIV Prevention Grants**

$1,281,000 in fiscal year 2026 and $1,281,000 in fiscal year 2027 are from the general fund for HIV prevention grants under Minnesota Statutes, section 145.924.

Subd. 8. **Tuberculosis Grants**

$115,000 in fiscal year 2026 and $115,000 in fiscal year 2027 are from the general fund for tuberculosis grants.

Subd. 9. **Comprehensive Drug Overdose and Morbidity Prevention Act**

$960,000 in fiscal year 2026 and $960,000 in fiscal year 2027 are from the general fund for the comprehensive drug overdose and morbidity prevention act under Minnesota Statutes, section 144.0528.

Subd. 10. **Infectious Disease Prevention, Early Detection, and Outbreak Response**

$1,300,000 in fiscal year 2026 and $1,300,000 in fiscal year 2027 are from the general fund for infectious disease prevention, early detection, and outbreak response activities under Minnesota Statutes, section 144.05, subdivision 1.

Subd. 11. **Asbestos Abatement**

$176,000 in fiscal year 2026 and $176,000 in fiscal year 2027 are from the state government special revenue fund for asbestos abatement under Minnesota Statutes, section 326.75.

Subd. 12. **Food, Pools, and Lodging Services**

$5,483,000 in fiscal year 2026 and $5,483,000 in fiscal year 2027 are from the state government special revenue fund for

food, pools, and lodging services program activities under Minnesota Statutes, chapters 144, 157, and 327.

Subd. 13. **Public Water Supply**

$7,827,000 in fiscal year 2026 and $7,827,000 in fiscal year 2027 are from the state government special revenue fund to administer the drinking water protection program, including implementing the Safe Drinking Water Act and providing services to regulated parties, partners, and the public under Minnesota Statutes, sections 144.381 to 144.383.

Subd. 14. **Radioactive Materials**

$200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are from the state government special revenue fund for radioactive materials program activities under Minnesota Statutes, section 144.1205.

Subd. 15. **Ionizing Radiation**

$993,000 in fiscal year 2026 and $828,000 in fiscal year 2027 are from the state government special revenue fund to administer new regulatory activities for x-ray service providers, ongoing inspections of licensed facilities, and data analysis for program planning and implementation under Minnesota Statutes, section 144.121.

Subd. 16. **Engineering Plan Reviews**

$224,000 in fiscal year 2026 and $224,000 in fiscal year 2027 are from the state government special revenue fund to conduct engineering plan reviews under Minnesota Statutes, section 144.554.

Subd. 17. **Spoken Language Health Care Interpreter Workgroup**

$186,000 in fiscal year 2026 and $49,000 in fiscal year 2027 are from the state government special revenue fund for a request for proposals for the spoken language health care interpreter work group. This is a

onetime appropriation and is available until June 30, 2029.

Subd. 18. **Base Level Adjustments**

The state government special revenue fund base is $86,794,000 in fiscal year 2028 and $86,806,000 in fiscal year 2029.

Sec. 5. **HEALTH OPERATIONS** **$ 21,776,000 $ 24,249,000**

	Appropriations by Fund	
General	20,365,000	21,392,000
Health Care Access	1,411,000	2,857,000

Sec. 6. **TRANSFERS.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Health as the commissioner deems necessary with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance quarterly about transfers made under this section.

Sec. 7. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

The commissioner of health shall not use indirect cost allocations to pay for the operational costs of any program for which the commissioner is responsible.

Sec. 8. **GRANT ADMINISTRATION COSTS.**

The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available after June 30, 2027.

ARTICLE 27

OTHER AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY 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. **HEALTH-RELATED BOARDS**			
Subdivision 1. **Total Appropriation**	**$**	**34,231,000**	**$** **34,112,000**
Appropriations by Fund			
	2026	2027	
General	468,000	468,000	
State Government Special Revenue	33,763,000	33,644,000	
These amounts are appropriated from the state government special revenue fund, unless specified otherwise, for the purposes specified in the following subdivisions.			
Subd. 2. **Board of Behavioral Health and Therapy**		1,289,000	1,289,000
Subd. 3. **Board of Chiropractic Examiners**		666,000	666,000
Subd. 4. **Board of Dentistry**		4,308,000	4,310,000
(a) **Administrative services unit; operating costs.** Of this appropriation, $1,936,000 in fiscal year 2026 and $1,936,000 in fiscal year 2027 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services it performs for other agencies.			
(b) **Administrative services unit; volunteer health care provider program.** Of this appropriation, $150,000 in fiscal year 2026 and $150,000 in fiscal year 2027 are to pay for medical professional liability coverage			

required under Minnesota Statutes, section 214.40.

(c) **Administrative services unit; retirement costs.** Of this appropriation, $237,000 in fiscal year 2026 and $237,000 in fiscal year 2027 are for the administrative services unit to pay for the retirement costs of health-related board employees. This funding may be transferred to the health board incurring retirement costs. Any board that has an unexpended balance for an amount transferred under this paragraph shall transfer the unexpended amount to the administrative services unit. If the amount appropriated in the first year of the biennium is not sufficient, the amount from the second year of the biennium is available.

(d) **Administrative services unit; contested cases and other legal proceedings.** Of this appropriation, $200,000 in fiscal year 2026 and $200,000 in fiscal year 2027 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards under this section. Upon certification by a health-related board to the administrative services unit that unanticipated costs for legal proceedings will be incurred and that available appropriations are insufficient to pay for the unanticipated costs for that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of costs for contested case hearings and other unanticipated costs of legal proceedings with the approval of the commissioner of management and budget. The commissioner of management and budget must require any board that has an unexpended balance or an amount transferred under this paragraph to transfer the unexpended amount to the administrative services unit to be deposited in the state government special revenue fund.

Subd. 5. **Board of Dietetics and Nutrition Practice**		277,000	277,000

Subd. 6. **Board of Executives for Long-term Services and Supports**	736,000	736,000
Subd. 7. **Board of Marriage and Family Therapy**	457,000	457,000
Subd. 8. **Board of Medical Practice**	6,196,000	6,141,000

Base Level Adjustment. The state government special revenue fund base for this subdivision is $6,121,000 in fiscal year 2028 and $6,121,000 in fiscal year 2029.

Subd. 9. **Board of Nursing**	6,275,000	6,275,000
Subd. 10. **Board of Occupational Therapy Practice**	560,000	560,000
Subd. 11. **Board of Optometry**	280,000	280,000
Subd. 12. **Board of Pharmacy**	6,748,000	6,748,000

Appropriations by Fund		
General	468,000	468,000
State Government Special Revenue	6,280,000	6,280,000

Subd. 13. **Board of Physical Therapy**	789,000	789,000
Subd. 14. **Board of Podiatric Medicine**	257,000	257,000
Subd. 15. **Board of Psychology**	2,781,000	2,781,000

Health Professional Service Program. $1,324,000 in fiscal year 2026 and $1,324,000 in fiscal year 2027 are for the health professionals services program.

Subd. 16. **Board of Social Work**	2,068,000	2,002,000
Subd. 17. **Board of Veterinary Medicine**	544,000	544,000

Sec. 3. **OFFICE OF EMERGENCY MEDICAL SERVICES**	**$ 7,613,000**	**$ 6,048,000**

Subdivision 1. **Ambulance Service Training and Staffing Grant Program**

$500,000 in fiscal year 2026 and $500,000 in fiscal year 2027 are for the ambulance service training and staffing grant program under Minnesota Statutes, section 144E.38.

Subd. 2. **EMR/EMT Education Reimbursement**

$100,000 in fiscal year 2026 and $100,000 in fiscal year 2027 are for EMR/EMT education reimbursements under Minnesota Statutes, section 144E.35.

Sec. 4. **OMBUDSPERSON FOR FAMILIES**	**$**	**792,000**	**$**	**808,000**
Sec. 5. **OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES**	**$**	**344,000**	**$**	**347,000**
Sec. 6. **RARE DISEASE ADVISORY COUNCIL**	**$**	**674,000**	**$**	**679,000**
Sec. 7. **OFFICE OF THE FOSTER YOUTH OMBUDSPERSON**	**$**	**1,012,000**	**$**	**1,025,000**
Sec. 8. **BOARD OF DIRECTORS OF MNSURE**	**$**	**70,000**	**$**	**70,000**
Sec. 9. **COMMISSIONER OF EDUCATION**	**$**	**7,950,000**	**$**	**7,950,000**

Early Childhood Literacy Programs. $7,950,000 in fiscal year 2026 and $7,950,000 in fiscal year 2027 are for early childhood literacy grants under Minnesota Statutes, section 142D.12, subdivision 3.

Sec. 10. **GRANT ADMINISTRATION COSTS.**

The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available after June 30, 2027.

Sec. 12. Laws 2024, chapter 127, article 67, section 4, is amended to read:

Sec. 4. **BOARD OF PHARMACY**

	Appropriations by Fund	
General	1,500,000	-0-
State Government Special Revenue	-0-	27,000

(a) **Legal Costs.** $1,500,000 in fiscal year 2024 is from the general fund for legal costs. This is a onetime appropriation and is available until June 30, 2027.

(b) **Base Level Adjustment.** The state government special revenue fund base is increased by $27,000 in fiscal year 2026 and increased by $27,000 in fiscal year 2027.

EFFECTIVE DATE. This section is effective June 30, 2025."

Delete the title and insert:

"A bill for an act relating to state government; establishing budget provisions for the Departments of Human Services, Health, and Children, Youth, and Families; modifying provisions relating to health, health licensing boards, health and education facilities, pharmacy benefits, health care finance, behavioral health, children's mental health terminology, assertive community treatment and intensive residential treatment services, background studies, Department of Human Services program integrity, human services licensing, economic supports, child protection and welfare, early care and learning, and children and families licensing; making conforming changes for the statutory establishment of the Department of Children, Youth, and Families; making forecast adjustments; requiring reports; establishing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 3.732, subdivision 1; 3.922, subdivision 1; 10A.01, subdivision 35; 13.41, subdivision 1; 13.46, subdivisions 3, 4, 9, 10; 13.598, subdivision 10; 14.03, subdivision 3; 62A.673, subdivision 2; 62D.21; 62D.211; 62E.23, subdivision 1; 62J.461, subdivisions 3, 4, 5; 62J.51, subdivision 19a; 62J.581; 62J.84, subdivisions 2, 3, 6, 10, 11, 12, 13, 14, 15; 62K.10, subdivisions 2, 5, 6; 62M.17, subdivision 2; 62Q.522, subdivision 1; 62Q.527, subdivisions 1, 2, 3; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6, 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601, subdivisions 2, 4; 116L.881; 121A.61, subdivision 3; 125A.15; 125A.744, subdivision 2; 127A.11; 127A.70, subdivision 2; 128C.02, subdivision 5; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32, subdivisions 1, 4, by adding a subdivision; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.67, subdivision 1; 138.912, subdivisions 1, 2, 3, 4, 6; 142A.03, subdivision 2, by adding a subdivision; 142A.607, subdivision 14; 142A.609, subdivision 21; 142A.76, subdivisions 2, 3; 142B.01, subdivision 15; 142B.05, subdivision 3; 142B.10, subdivision 14; 142B.16, subdivision 2; 142B.171, subdivision 2; 142B.30, subdivision 1; 142B.41, subdivision 9, by adding a subdivision; 142B.47; 142B.51, subdivision 2; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; 142B.80; 142C.06, by adding a subdivision; 142C.11, subdivision 8; 142C.12, subdivisions 1, 6; 142D.31, subdivision 2; 142E.03, subdivision 3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1; 142E.16, subdivisions 3, 7; 142E.51, subdivisions 5, 6; 142G.02, subdivision 56; 142G.27, subdivision 4; 142G.42, subdivision 3; 144.061; 144.0758, subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2, 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.1222, subdivision 1a; 144.125, subdivision 2; 144.225, subdivision 2a; 144.3831, subdivision 1; 144.50, by adding a subdivision; 144.55, subdivision 1a; 144.554; 144.555, subdivisions 1a, 1b; 144.562, subdivisions 2, 3; 144.563; 144.608, subdivision

2; 144.651, subdivision 2; 144.966, subdivision 2; 144.99, subdivision 1; 144A.43, subdivision 15; 144E.123, subdivision 3; 144E.35; 144G.08, subdivision 45; 144G.45, subdivision 6; 145.8811; 145.895; 145.901, subdivisions 1, 2, 4; 145.9255, subdivision 1; 145.9265; 145.987, subdivisions 1, 2; 147.01, subdivision 7; 147.037, by adding a subdivision; 147A.02; 147D.03, subdivision 1; 148.108, subdivision 1, by adding subdivisions; 148.191, subdivision 2; 148.241; 148.512, subdivision 17a; 148.5192, subdivision 3; 148.5194, subdivision 3b; 148.56, subdivision 1; 148.6401; 148.6402, subdivisions 1, 7, 8, 13, 14, 16, 16a, 19, 20, 23, 25, by adding subdivisions; 148.6403; 148.6404; 148.6405; 148.6408, subdivision 2, by adding a subdivision; 148.6410, subdivision 2, by adding a subdivision; 148.6412, subdivisions 2, 3; 148.6415; 148.6418; 148.6420, subdivision 1; 148.6423, subdivisions 1, 2, by adding a subdivision; 148.6425, subdivision 2, by adding subdivisions; 148.6428; 148.6432, subdivisions 1, 2, 3, 4, by adding a subdivision; 148.6435; 148.6438; 148.6443, subdivisions 3, 4, 5, 6, 7, 8; 148.6445, by adding subdivisions; 148.6448, subdivisions 1, 2, 4, 6; 148.6449, subdivisions 1, 2, 7; 148B.53, subdivision 3; 148E.180, subdivisions 1, 5, 7, by adding subdivisions; 148F.11, subdivision 1; 149A.02, by adding a subdivision; 150A.105, by adding a subdivision; 151.01, subdivisions 15, 23; 151.065, subdivisions 1, 3, 6; 151.101; 151.741, subdivision 5; 152.12, subdivision 1; 153B.85, subdivisions 1, 3; 156.015, by adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision; 174.285, subdivision 4; 214.104; 216C.266, subdivisions 2, 3; 241.021, subdivision 2; 242.09; 242.21; 242.32, subdivision 1; 245.095, subdivision 5, by adding a subdivision; 245.462, subdivisions 4, 20; 245.4661, subdivisions 2, 6, 7, 9; 245.4662, subdivision 1; 245.467, subdivision 4; 245.4682, subdivision 3; 245.469; 245.4711, subdivisions 1, 4; 245.4712, subdivisions 1, 3; 245.4835, subdivision 2; 245.4863; 245.487, subdivision 2; 245.4871, subdivisions 3, 4, 5, 6, 13, 15, 17, 19, 21, 22, 28, 29, 31, 32, 34, by adding a subdivision; 245.4873, subdivision 2; 245.4874, subdivision 1; 245.4875, subdivision 5; 245.4876, subdivisions 4, 5; 245.4877; 245.488, subdivisions 1, 3; 245.4881, subdivisions 1, 3, 4; 245.4882, subdivisions 1, 5; 245.4884; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.4901, subdivision 3; 245.4905; 245.4906, subdivision 2; 245.4907, subdivisions 2, 3; 245.491, subdivision 2; 245.492, subdivision 3; 245.50, subdivision 3, by adding a subdivision; 245.697, subdivisions 1, 2a; 245.814, subdivisions 1, 2, 3, 4; 245.826; 245.91, subdivisions 2, 4; 245.92; 245.94, subdivision 1; 245.975, subdivision 1; 245A.03, subdivision 2; 245A.04, subdivisions 1, 7; 245A.05; 245A.07, subdivision 2; 245A.16, subdivision 1; 245A.18, subdivision 1; 245A.242, subdivision 2; 245A.26, subdivisions 1, 2; 245C.02, subdivisions 7, 12, 13, by adding a subdivision; 245C.031, subdivision 9; 245C.033, subdivision 2; 245C.05, subdivision 7, by adding a subdivision; 245C.07; 245C.08, subdivision 3; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15, subdivision 4a; 245C.22, subdivision 5; 245D.02, subdivision 4a; 245I.05, subdivisions 3, 5; 245I.06, subdivision 3; 245I.11, subdivision 5; 245I.12, subdivision 5; 245I.23, subdivision 7; 246C.12, subdivision 4; 252.27, subdivision 1; 254B.04, subdivision 1a; 254B.05, subdivision 1a; 254B.06, by adding a subdivision; 256.01, by adding a subdivision; 256.478, subdivision 2; 256.88; 256.89; 256.90; 256.91; 256.92; 256.9657, by adding a subdivision; 256.969, subdivision 2b; 256.98, subdivision 1; 256.983, subdivision 4; 256B.02, subdivision 11; 256B.0371, subdivision 3; 256B.04, subdivision 21; 256B.051, subdivision 3; 256B.055, subdivision 12; 256B.0615, subdivisions 1, 3; 256B.0616, subdivisions 1, 4, 5; 256B.0622, subdivisions 1, 3a, 7a, 8, 11, 12; 256B.0625, subdivisions 2, 3b, 13, 13c, 13d, 13e, 17a, 20, 25c, 30, 54, by adding subdivisions; 256B.064, subdivision 1a; 256B.0659, subdivision 21; 256B.0757, subdivisions 2, 5, by adding a subdivision; 256B.0943, subdivisions 1, 3, 9, 12, 13; 256B.0945, subdivision 1; 256B.0946, subdivision 6; 256B.0947, subdivision 3a; 256B.12; 256B.1973, by adding a subdivision; 256B.69, subdivisions 6d, 23, by adding a subdivision; 256B.76, subdivisions 1, 6, by adding a subdivision; 256B.761; 256B.766; 256B.77, subdivision 7a; 256B.82; 256B.85, subdivision 12; 256D.44, subdivision 5; 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; 256L.03, subdivision 5; 256R.01, by adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260.762, subdivision 2a; 260.810, subdivisions 1, 2; 260.821, subdivision 2; 260B.157, subdivision 3; 260B.171, subdivision 4; 260C.001, subdivision 2; 260C.007, subdivisions 16, 19, 26d, 27b; 260C.150, subdivision 3; 260C.157, subdivision 3; 260C.201, subdivisions 1, 2; 260C.202, subdivision 2; 260C.204; 260C.212, subdivisions 1, 1a; 260C.221, subdivision 2; 260C.223, subdivisions 1, 2; 260C.301, subdivision 4; 260C.329, subdivision 8; 260C.452, subdivision 4; 260D.01; 260D.02, subdivisions 5, 9; 260D.03, subdivision 1; 260D.04; 260D.06, subdivision 2; 260D.07; 260E.03, subdivisions 6, 15; 260E.09; 260E.11, subdivisions 1, 3; 260E.20, subdivision 1; 260E.24, subdivisions 1, 2; 260E.30, subdivision 4; 260E.33, subdivision 6; 261.232; 270B.14, subdivision 1, by adding a subdivision; 295.50, subdivision 9b; 295.52, subdivisions 1, 1a, 2, 3, 4; 299C.76, subdivision 1; 299F.011, subdivision 4a; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 3, 4, by adding a subdivision; 354B.20, subdivision 7; 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; Laws 2021, First Special Session chapter 7, article 2, section 81; Laws 2023, chapter 70, article 7, section 34; article 20, section 2, subdivisions 7, 30; Laws 2024, chapter 127, article 67, sections 4; 6; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 62V; 142B; 142F; 144; 144E; 145; 148; 153; 245; 256B; 260E; 295; 306; 307; 609; proposing coding for new law as Minnesota Statutes, chapter 148G; repealing Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; 62E.25; 62J.824; 62K.10, subdivision 3; 103I.550; 136A.29, subdivision 4; 138.912, subdivision 7; 142A.15; 142E.50, subdivisions 2, 12; 148.108, subdivisions 2, 3, 4; 148.6402, subdivision 22a; 148.6420, subdivisions 2, 3, 4; 148.6423, subdivisions 4, 5, 7, 8, 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, 8; 156.015, subdivision 1; 245A.02, subdivision 6d; 245A.11, subdivision 8; 256B.0622, subdivision 4; 256B.0625, subdivision 38; 256G.02, subdivisions 3, 5; 261.003; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6800.5100, subpart 5; 6800.5400, subparts 5, 6; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 2216: A bill for an act relating to commerce; establishing a budget for the Department of Commerce; adding, modifying, and eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; establishing a common interest community ombudsperson and a common interest community register; classifying data; making technical changes; appropriating money; amending Minnesota Statutes 2024, sections 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 58B.051; 60A.201, subdivision 2, by adding a subdivision; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25;

62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62D.221, by adding a subdivision; 62J.26, subdivisions 1, 2, 3, by adding subdivisions; 62Q.73, subdivision 4; 65A.01, subdivision 3c; 72A.20, by adding a subdivision; 80A.65, subdivision 2; 80A.66; 80E.12; 116.943, subdivisions 1, 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 325G.24, subdivision 2; 334.01, subdivision 2; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 45; 60D; 62A; 168A; 216B; 237; 239; 325F; 515B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, delete "41,318,000" and insert "41,339,000" and delete "41,281,000" and insert "41,302,000"

Page 2, line 15, delete "38,625,000" and insert "38,646,000" and delete "38,588,000" and insert "38,609,000"

Page 2, line 22, delete "2,933,000" and insert "2,954,000" and delete "2,933,000" and insert "2,954,000"

Page 3, line 1, delete "$441,000" and insert "$462,000"

Page 3, after line 25, insert:

"(g) $75,000 each year is for copper metal licensing and enforcement under Minnesota Statutes, section 325E.21."

Page 5, after line 18, insert:

"$1,341,000 the first year and $1,520,000 the second year are for cannabis scale and packaging inspections."

Page 5, after line 20, insert:

"$690,000 each year is for testing products regulated under Minnesota Statutes, section 151.72, and chapter 342.

$632,000 the first year and $696,000 the second year is for operating a state reference laboratory."

Page 16, delete section 10

Page 17, delete section 11

Page 18, line 2, delete "$60" and insert "$85"

Page 23, after line 12, insert:

"**EFFECTIVE DATE.** This section is effective August 1, 2026."

Page 33, line 15, delete "clause (4)" and insert "paragraph (b), clause (3)"

Page 33, line 16, delete "subdivision 2a, paragraph (a), clause (2)" and insert "subdivision 2, paragraph (b), clause (3)"

Page 37, after line 17, insert:

"Sec. 15. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable."

Page 42, after line 12, insert:

"Sec. 7. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages."

Page 89, line 9, before the semicolon, insert ", except where cadmium is contained in a vitreous enamel in a nonfood contact surface"

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 3196: A bill for an act relating to corrections; appropriating money for deficiencies in the budget of the Department of Corrections; amending Laws 2023, chapter 52, article 2, section 6, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 24, delete "Transfer" and insert "Reallocation"

Page 4, line 25, delete "may be transferred"

Page 4, line 26, delete everything after "2025" and insert "may be used"

Page 4, line 27, delete "Department of Corrections" and after "for" insert "other"

Page 7, line 1, delete "Transfer" and insert "Reallocation"

Page 7, line 2, delete "may be transferred"

Page 7, line 3, delete everything after "2025" and insert "may be used"

Page 7, line 4, delete "Department of Corrections" and after "for" insert "other"

Page 8, line 21, delete "Transfer" and insert "Reallocation"

Page 8, line 22, delete "may be transferred"

Page 8, line 23, delete everything after "2025" and insert "may be used"

Page 8, line 24, delete "Department of Corrections" and after "for" insert "other"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Finance, to which was re-referred

S.F. No. 2865: A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying and extending prior appropriations; requiring reports; amending Minnesota Statutes 2024, section 97A.056, by

adding a subdivision; Laws 2023, chapter 40, article 4, section 2, subdivisions 3, as amended, 5; Laws 2024, chapter 106, article 4, section 2, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 51, line 16, delete "2025" and insert "2026"

Page 53, after line 6, insert:

"**EFFECTIVE DATE.** This section is effective the day following final enactment."

Page 53, delete article 4 and insert:

"ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2026" and "2027" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2026, and June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. All appropriations in this article are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **ARTS AND CULTURAL HERITAGE**		
Subdivision 1. **Total Appropriation**	**$ 85,293,000**	**$ 94,618,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Availability of Appropriation**		
Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional		

overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2026 appropriations are available until June 30, 2027, and fiscal year 2027 appropriations are available until June 30, 2028. Water and energy conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **MINNESOTA STATE ARTS BOARD**

Subdivision 1. **Total Appropriation**	**$ 40,088,000**	**$ 44,470,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Grant Agreements**

The amounts in this section are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

Subd. 3. **Arts and Arts Access Initiatives**	32,071,000	35,576,000

$32,071,000 the first year and $35,576,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. Grants provided under this subdivision must prioritize artists and arts organizations that plan to present art from communities that have been historically underrepresented in the arts or that improve access to the programs and projects for groups, including youth and historically underserved communities, that have struggled to access arts programming in the past.

Subd. 4. **Arts Education** 6,013,000 6,670,000

$6,013,000 the first year and $6,670,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts. Priority in the award of grants under this subdivision must be given to providing educational opportunities to underserved communities with grants for organizations or entities providing opportunities to K-12 students throughout the state for arts education, including access to arts instruction, arts programming, museums, and arts presentations.

Subd. 5. **Arts and Cultural Heritage** 2,004,000 2,224,000

$2,004,000 the first year and $2,224,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

Subd. 6. **Administrative Costs**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 to 5 each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 7. **Regional Arts Councils**

Thirty percent of the remaining total appropriation to each of the categories listed in subdivisions 3 to 5 is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

Sec. 4. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**	**$**	**13,759,000**	**$**	**20,000,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Grant Agreements**

(a) The amounts in this section are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this section must ensure that the money is used to supplement and not substitute for traditional sources of funding. Money directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2029. The Minnesota

Historical Society or grant recipients of the Minnesota Historical Society using money from the arts and cultural heritage fund under this section must give consideration to Conservation Corps Minnesota and Iowa and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the totals in subdivisions 3 and 4 each year is for administering grants and grant programs, delivering technical services, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. **Historical Grants and Programs** 13,634,000 19,875,000

(a) **Statewide Historic and Cultural Grants**

$4,822,000 the first year and $7,640,000 the second year are for statewide historic and cultural grants to local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Money must be distributed through a competitive grant process. The Minnesota Historical Society must administer the money using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(b) **Statewide History Programs**

$5,140,000 the first year and $7,640,000 the second year are for historic and cultural programs and purposes related to the heritage of the state.

(c) **History Partnerships**

$1,812,000 the first year and $2,935,000 the second year are for history partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's

history and cultural heritage in all regions of the state.

(d) **Statewide Survey of Historical and Archaeological Sites**

$330,000 the first year and $330,000 the second year are for one or more contracts to be competitively awarded to conduct statewide surveys or investigations of Minnesota's sites of historical, archeological, and cultural significance. Results of the surveys or investigations must be published in a searchable form and available to the public cost free. The Minnesota Historical Society, the Office of the State Archeologist, the Indian Affairs Council, and the State Historic Preservation Office must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys or investigations. The oversight board must consult with the Departments of Transportation and Natural Resources.

(e) **Digital Library**

$330,000 the first year and $330,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan system and must jointly share this appropriation for these purposes.

(f) **250th Anniversary of the Declaration of Independence**

$200,000 the first year is for Minnesota's commemoration of the 250th anniversary of the Declaration of Independence. The Minnesota Historical Society, the Minnesota America 250 Committee, and the Minnesota Humanities Center must work collaboratively to create public programs and activities and to support local efforts to commemorate this anniversary. A portion of this money may be

used to support the work of the Minnesota America 250 Committee.

(g) **Memorials and Statues**

$1,000,000 the first year and $1,000,000 the second year are for grants to community-based organizations and local units of government for statues and memorials commemorating the historical significance and cultural contributions of Minnesotans. The governing board of the Minnesota Historical Society must give priority consideration for funding under this paragraph to the city of St. Paul to design and construct a mural and statue honoring Tou Ger Xiong at Lake Phalen's Tou Ger Xiong Island in St. Paul; the Dakota County Historical Society to design and build the Heroes and Heritage Interpretive Trail Loop along existing paved trails in South St. Paul, West St. Paul, and Inver Grove Heights; and the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake.

Subd. 4. **Grants** 1,443,000 125,000

$125,000 the first year and $125,000 the second year are for a grant to Special Guerrilla Units Veterans and Families of USA, Inc. to collect, document, archive, and preserve the oral histories of Hmong veterans of the United States-sponsored Secret War in Laos and to create programming and educational resources to teach the public and future generations about the history, legacy, and cultural heritage of the Hmong in Minnesota.

Sec. 5. **DEPARTMENT OF EDUCATION** **$ 1,923,000 $ 2,923,000**

$1,923,000 the first year and $2,923,000 the second year are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to

provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this section should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this section, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2027, as grants or contracts in this section are available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to two percent of the amount in this section is for administering the grants in this section.

Sec. 6. **DEPARTMENT OF ADMINISTRATION**

Subdivision 1. **Total Appropriation**	**$**	**9,387,000**	**$**	**11,387,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Grant Agreements**

(a) The amounts in this section are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this section.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this section must ensure that money appropriated in this section is used to supplement and not substitute for traditional sources of funding.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to three percent of the amounts in subdivision 3 are for administering the grants, providing fiscal oversight, and ensuring accountability in fiscal years 2026 and 2027.

Subd. 3. **Grants** 9,387,000 11,387,000

(a) **Minnesota Public Radio**

$1,557,000 the first year and $2,057,000 the second year are for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(b) **Association of Minnesota Public Educational Radio Stations**

$1,557,000 the first year and $2,057,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(c) **Public Television**

$3,686,000 the first year and $4,686,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

(d) **Wilderness Inquiry**

$485,000 the first year and $485,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(e) **Como Park Zoo**

$1,520,000 the first year and $1,520,000 the second year are to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(f) **Science Museum of Minnesota**

$450,000 the first year and $450,000 the second year are to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(g) **Lake Superior Zoo**

$132,000 the first year and $132,000 the second year are to the Lake Superior Zoo to develop educational exhibits and programs.

Sec. 7. **MINNESOTA ZOO** **$ 1,490,000 $ 2,150,000**

The amounts in this section are appropriated to the Minnesota Zoological Board for programs at and development of the Minnesota Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

Sec. 8. **MINNESOTA HUMANITIES CENTER**

Subdivision 1. **Total Appropriation** **$ 16,009,000 $ 11,056,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Grant Agreements**

(a) The amounts in this section are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this section.

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the Minnesota Humanities Center may use up to 5.5 percent of the appropriations for the administration of these funds and to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants under this section and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

(b) No grants awarded under this section may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

Subd. 3. **Programs**	1,762,000	1,762,000

$1,762,000 the first year and $1,762,000 the second year are for statewide humanities programs and to support and expand outreach, partnerships, and humanities programming with organizations and individuals throughout the state, including but not limited to programming related to veterans and the military experience; professional development opportunities for educators; and programming celebrating, representing, and reflecting upon the heritage of diverse Minnesota communities that have been historically underserved.

Subd. 4. **Children's Museum Grants**	2,025,000	2,025,000

$2,025,000 the first year and $2,025,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs. Of this amount:

(1) $500,000 each year is for the Minnesota Children's Museum, St. Paul;

(2) $175,000 each year is for The Works, Bloomington;

(3) $125,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter;

(4) $100,000 each year is for the Children's Discovery Center, Breckenridge;

(5) $125,000 each year is for the Duluth Children's Museum, Duluth;

(6) $100,000 each year is for the Otter Cove Children's Museum, Fergus Falls;

(7) $100,000 each year is for the Children's Discovery Museum, Grand Rapids;

(8) $100,000 each year is for the Wheel and Cog Children's Museum, Hutchinson;

(9) $175,000 each year is for the Children's Museum of Southern Minnesota, Mankato;

(10) $175,000 each year is for the Great River Children's Museum, St. Cloud;

(11) $100,000 each year is for The Village Children's Museum, Willmar;

(12) $100,000 each year is for the Mini Sota Ag Museum, Benson; and

(13) $150,000 each year is for the SPARK Children's Museum, Rochester.

Subd. 5. **Community Identity and Heritage Emergency Grants** 200,000 200,000

$200,000 the first year and $200,000 the second year are for emergency grants to organizations otherwise qualified to receive grants under subdivision 6 and must be awarded on a rolling basis based on emerging needs to assist communities responding to major events and to facilitate the process of grieving, encourage healing, create

memorials, or assist in recovery of the community. Any amount described in the preceding sentence that is not expended by October 15 of the second year may be used for general programming costs or grants under subdivision 6.

Subd. 6. **Community Identity and Heritage Competitive Grant Program** 11,022,000 7,069,000

(a) $11,022,000 the first year and $7,069,000 the second year are for a competitive grant program to provide grants to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, with a priority on organizations from communities whose culture and heritage have been historically underrepresented or that have struggled to access culture and heritage resources in the past, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups, including communities of Black, Indigenous, and people of color, to celebrate the cultural diversity of Minnesota. An individual or organization that receives a grant under this subdivision must do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(4) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

(b) At least 80 percent of the amount in paragraphs (c) to (f) must be for grants of less than $200,000.

(c) Of the amount in paragraph (a), $2,500,000 the first year and $1,500,000 the second year are for grants to community-based organizations and local governments for museums, exhibits, and collections. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to the Bakken Museum, the Minnesota Fishing Museum and Hall of Fame, MN Zej Zog, and the Somali Museum of Minnesota.

(d) Of the amount in paragraph (b), $3,650,000 the first year and $2,750,000 the second year are for grants to community-based organizations and local governments to support arts and cultural festivals and events in the state of Minnesota. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to Asian Economic Development Association for Minnesota Asian American film and music festivals, the Minnesota State Band to provide free concerts, Siengkane Lao for a Southeast Asian music festival, and Walker West Music Academy to provide free concerts.

(e) Of the amount in paragraph (a), $4,622,000 the first year and $2,569,000 the second year are for grants to community-based organizations and local governments for education and recreational programming and events. The Minnesota Humanities Center must give priority consideration for funding under this paragraph to Art from the Inside, Asian Economic Development Association for youth outdoor programs, Capri Theater, Fight

for Your Dreams for youth boxing, the Governor's Council on Developmental Disabilities, Hmong Cultural Center, the Lundstrum Center for the Performing Arts, the Phylis Wheatley Community Center, Siengkane Lao to preserve traditional dance performances, and Sweet Potato Comfort Pie.

(f) Of the amount in paragraph (a), $250,000 the first year and $250,000 the second year are for grants to provide funding to ethnic media organizations creating video content in a language other than English.

Subd. 7. **Underrepresented Groups Cultural Studies Materials** 500,000 -0-

$500,000 the first year is for competitive grants to develop high-quality academic, cultural, and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this subdivision must work with school districts that intend to use the materials.

Subd. 8. **Gordon Parks Commemoration** 500,000 -0-

$500,000 the first year is to work in collaboration with Soul Touch Productions to create an art installation and programming to celebrate the incredible life and rich legacy of Gordon Parks.

Sec. 9. **INDIAN AFFAIRS COUNCIL** 2,030,000 2,030,000

(a) $750,000 each year is to provide grants to Minnesota Tribal Nations to preserve Dakota and Ojibwe Indian language and to foster education programs and services for Dakota and Ojibwe language.

(b) $575,000 each year is for grants to Dakota and Ojibwe language-immersion educational institutions.

(c) $525,000 each year is to provide grants to preserve the Dakota and Ojibwe Indian language through support of projects and services and to support educational programs and immersion efforts in Dakota and Ojibwe language.

(d) $50,000 each year is for a Dakota and Ojibwe Indian language working group coordinated by the Indian Affairs Council.

(e) $130,000 each year is for the Indian Affairs Council to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the Native American Graves Protection and Repatriation Act.

Sec. 10. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation**	**$ 602,000**	**$ 602,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **County Fair Grants**	352,000	352,000

$352,000 the first year and $352,000 the second year are for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants may be distributed in equal amounts to each of the county fairs that submitted an application. The grants are in addition to the aid distribution to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner of agriculture must develop grant-making criteria and guidance for expending money under this subdivision to provide funding for projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage.

The commissioner must seek input from all interested parties. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of the amounts in this subdivision for the administration and distribution of the grants. Money not used in the first year may be used in the second year.

Subd. 3. **Minnesota FFA** 250,000 250,000

(a) $250,000 the first year and $250,000 the second year are for grants to the Minnesota FFA to provide new and expanded access for Minnesota FFA members involved in art- and history-related FFA activities. Of this amount:

(1) up to $100,000 each year may be used to document and commemorate 100 years of fostering leadership, agricultural education, and community service across the state by creating a history book, video storytelling series, and an in-person arts-focused event; and

(2) any amount not spent for the purposes described in clause (1) may be used for other activities that provide new and expanded access for Minnesota FFA members involved in art- and history-related FFA activities, including activities related to national and state FFA band and choir, state and national FFA talent competitions, FFA floriculture, and FFA state fair landscape booths.

(b) The commissioner of agriculture must develop grant-making criteria and guidance for grants under this subdivision to provide funding for projects and events and must seek input from the Minnesota FFA and Minnesota FFA Foundation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to five percent of the amounts in this subdivision to cover the costs of administering, planning, evaluating, and reporting these grants.

Sec. 11. **LEGISLATIVE COORDINATING COMMISSION** **$ 5,000** **$ -0-**

The amount in this section is appropriated to the Legislative Coordinating Commission to maintain the website required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 12. Minnesota Statutes 2024, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the website required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's website home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the website must direct the person to a web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission website required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any

additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

(i) Any state agency or organization requesting a direct appropriation from the arts and cultural heritage fund must inform the house of representatives and senate committees having jurisdiction over the arts and cultural heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose and provide a copy of the most recent year's Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax.

Sec. 13. Minnesota Statutes 2024, section 129D.17, is amended by adding a subdivision to read:

Subd. 7. **Construction costs.** Money from the arts and cultural heritage fund must not be appropriated to fund new construction or for capital construction projects, including major renovations or long-term building projects, with the exception of preservation of historic structures or sites. This prohibition does not apply to:

(1) accessibility accommodations;

(2) the creation of exhibits or installations; and

(3) renovations to provide care for collections or facilitate exhibits, installations, or other projects funded with arts and cultural heritage fund appropriations.

Sec. 14. Laws 2023, chapter 40, article 4, section 2, subdivision 5, is amended to read:

Subd. 5. **Department of Education**	3,000,000	2,750,000

(a) $2,750,000 each year is appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. When possible, funding under this subdivision should be used to promote and share the work of Minnesota authors, including authors from diverse backgrounds. This money must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3 to 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying

system entities in each system. For purposes of this subdivision, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. This money may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries. This money must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, ~~2025~~ 2026, as grants or contracts in this subdivision are available until June 30, ~~2026~~ 2027.

(b) $250,000 the first year is appropriated to the commissioner of education for a water safety grant program. The commissioner of education must allocate grants to eligible applicants. Eligible applicants include nonprofit organizations and city and county parks and recreation programs providing swimming lessons to youth. Eligible applicants are not required to partner with other entities. Grant funds must primarily be used to provide scholarships to low-income and at-risk children for swimming lessons. Up to 15 percent of the grant funds may also be used to hire water safety instructors or lifeguards or train water safety instructors or lifeguards in nationally recognized water safety practices and instruction.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. Laws 2023, chapter 40, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. **Department of Administration**	17,040,000	14,105,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this

appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) **Minnesota Public Radio**

$2,050,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(d) **Association of Minnesota Public Educational Radio Stations**

$2,050,000 the first year and $2,050,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(e) **Public Television**

$5,000,000 the first year and $4,500,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. Of the amount in the first year, $1,000,000 is for producing Minnesota military and veterans' history stories and unique immigrant stories from around the state.

(f) **Wilderness Inquiry**

$500,000 the first year and $600,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(g) **Como Park Zoo**

$1,725,000 each year is to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(h) **Science Museum of Minnesota**

$825,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) **Appetite for Change**

$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) **Lake Superior Zoo**

$150,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(k) **Great Lakes Aquarium**

$250,000 each year is to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(l) **State Band**

$25,000 the first year and $25,000 the second year are to the Minnesota state band to provide free concerts throughout the state.

(m) **Veterans Memorial Park in Wyoming**

$100,000 the first year is for a grant to the city of Wyoming to build the Veterans

Memorial Plaza and related interpretive walk in Railroad Park.

(n) **Great Northern Festival**

$75,000 the first year and $75,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) **Governor's Council on Developmental Disabilities**

$50,000 the first year is to the Minnesota Governor's Council on Developmental Disabilities to continue to preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) **Minnesota Council on Disability**

$125,000 the first year and $125,000 the second year are to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) **Keller Regional Park**

$500,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) **Vietnam War Anniversary**

$250,000 the first year is for a grant to the commissioner of veterans affairs to prepare and host a commemoration program for the 50th anniversary of the Vietnam War.

(s) **St. Paul Cultural Art Installation**

$500,000 the first year is for a grant to the city of St. Paul for an art installation celebrating Olympic gold medalist Suni Lee. The project funded by this paragraph must be located in St. Paul at the Conway

Recreation Center or, if that site is not practicable, at Lake Phalen at the platform containing the bust of Suni Lee. This appropriation is available until June 30, 2027.

(t) **One Heartland Center**

$50,000 each year is for a grant to One Heartland Center for programming and outdoor activities for families and youth in Minnesota.

(u) **Forest Lake Veterans Memorial**

$100,000 the first year is for a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake. This appropriation is available until June 30, 2027.

(v) **Hmong Plaza**

$450,000 the first year is for a grant to the city of St. Paul to construct the Hmong Plaza at Phalen Lake.

(w) **Camille Gage Artist Fellowship**

$55,000 the first year and $55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to $5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(x) **Minnesota African American Heritage Museum and Gallery**

$235,000 the first year and $125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, $110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

(y) **Tibetan American Foundation of Minnesota**

$25,000 the first year and $25,000 the second year are for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota.

(z) **Hong De Wu Guan**

$25,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth.

(aa) **Sepak Takraw of USA**

$50,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events.

(bb) **30,000 Feet**

$75,000 the first year and $75,000 the second year are for a grant to 30,000 Feet, a nonprofit organization, to help youth and community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts.

(cc) **Siengkane Lao Minnesota**

$50,000 the first year and $50,000 the second year are for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances.

(dd) **Hmong Cultural Center**

$150,000 the first year and $150,000 the second year are for a grant to the Hmong Cultural Center of Minnesota for museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(ee) **Comunidades Latinas Unidas En Servicio**

$250,000 the first year and $250,000 the second year are for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities.

(ff) **Hmong RPA Writing System**

$300,000 the first year and $300,000 the second year are for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. Grants must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events. This appropriation is available until June 30, 2028.

(gg) **Somali Museum of Minnesota**

$125,000 the first year and $125,000 the second year are for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about

the Somali community and heritage in Minnesota.

(hh) **Minnesota Museum of American Art**

$200,000 the first year and $200,000 the second year are for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum.

(ii) **Fanka Programs**

$250,000 the first year and $250,000 the second year are for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

(jj) **The Bakken Museum**

$150,000 the first year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(kk) **4-H Shooting Sports**

$50,000 the first year is to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

(ll) **Public Art Saint Paul**

$75,000 each year is for a grant to Public Art Saint Paul for art programming at the Wakpa Triennial Art Festival to showcase new art across the Twin Cities by Minnesota artists in outdoor and indoor settings and to encourage visitors to experience the arts and

culture produced by local arts and culture organizations.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. Laws 2024, chapter 106, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. **Minnesota Historical Society** -0- 1,201,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime.

(b) **Grants**

(1) $100,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding. Any remaining amount not used to facilitate the purchase of the slippers by the state may be used as a grant to the Judy Garland Children's Discovery Museum to create an exhibit highlighting the history and cultural relevance of the slippers;

(2) $400,000 the second year is for statewide historic and cultural grants to cultural community organizations, historical organizations, and veterans organizations for activities to commemorate 50 years of Southeast Asians in Minnesota. Money under this paragraph must be distributed through a competitive grant process. The Minnesota Historical Society must administer the grants

using established grant mechanisms with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(3) $200,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs;

(4) $200,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the impact of this grant and of collaboration with statewide partners;

(5) $50,000 the second year is for a grant to the Greater Litchfield Opera House Association to repair and update the Litchfield Opera House; and

(6) $251,000 the second year is for a grant to the Dakota County Historical Society to design and build exhibits at the Lawshe Memorial Museum.

EFFECTIVE DATE. This section is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "providing for leveraging federal grant money; modifying reporting requirements; modifying accountability provisions;"

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2216, 3196, and 2865 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Draheim introduced--

S.F. No. 3384: A bill for an act relating to noxious weeds; requiring notice of entry for noxious weed inspections; amending Minnesota Statutes 2024, section 18.79, subdivision 3.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Draheim introduced--

S.F. No. 3385: A bill for an act relating to human services; clarifying permissible out-of-state billing for certain disability waiver services.

Referred to the Committee on Human Services.

Senator Kunesh introduced--

S.F. No. 3386: A bill for an act relating to agriculture; appropriating money to the commissioner of agriculture for a grant to the Women's Environmental Institute for a farming incubator project.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Putnam introduced--

S.F. No. 3387: A bill for an act relating to veterans affairs; appropriating money for a grant to Every Third Saturday; requiring reports.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Utke introduced--

S.F. No. 3388: A bill for an act relating to capital investment; amending an appropriation for the Heartland State Trail in Becker County; amending Laws 2023, chapter 72, article 1, section 7, subdivision 18.

Referred to the Committee on Capital Investment.

Senator Utke introduced--

S.F. No. 3389: A bill for an act relating to capital investment; appropriating money to renovate the Eagle Bend High School; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Boldon, Maye Quade, Marty, Dibble, and Hoffman introduced--

S.F. No. 3390: A bill for an act relating to taxation; appropriating money for an expanded corporate tax compliance initiative.

Referred to the Committee on Taxes.

Senators Abeler, Mohamed, and Fateh introduced--

S.F. No. 3391: A bill for an act relating to health; exempting special event food stands from the requirement to pay the statewide hospitality fee; amending Minnesota Statutes 2024, section 157.16, subdivision 3a.

Referred to the Committee on Health and Human Services.

Senators Rasmusson, Drazkowski, and Bahr introduced--

S.F. No. 3392: A bill for an act relating to taxation; modifying eligibility for certain tax programs and classifications; amending Minnesota Statutes 2024, sections 273.124, subdivision 13; 290.0661, subdivision 1; 290.0671, subdivision 1.

Referred to the Committee on Taxes.

Senator Rasmusson introduced--

S.F. No. 3393: A bill for an act relating to human services; providing for a supplemental rate to housing support providers in Otter Tail County; amending Minnesota Statutes 2024, section 256I.05, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senator Koran introduced--

S.F. No. 3394: A bill for an act relating to taxation; sales and use; providing an exemption for dietary supplements; amending Minnesota Statutes 2024, sections 297A.61, subdivisions 3, 38; 297A.67, subdivision 2, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Gustafson introduced--

S.F. No. 3395: A bill for an act relating to workforce development; establishing a veteran relocation bonus program for veterans who were recently terminated from federal employment; requiring reports; appropriating money.

Referred to the Committee on Jobs and Economic Development.

Senators Rest, Limmer, and Pha introduced--

S.F. No. 3396: A bill for an act relating to public safety; requiring a report; appropriating money for Northwest Metro Regional Real Time Crime Center.

Referred to the Committee on Judiciary and Public Safety.

Senator Maye Quade introduced--

S.F. No. 3397: A bill for an act relating to taxation; imposing a gross receipts tax on various services; proposing coding for new law in Minnesota Statutes, chapter 295.

Referred to the Committee on Taxes.

Senators Carlson and Maye Quade introduced--

S.F. No. 3398: A bill for an act relating to human services; appropriating money for a grant to Thrive Family Recovery Resources.

Referred to the Committee on Human Services.

Senators Cwodzinski, Maye Quade, Abeler, and Hoffman introduced--

S.F. No. 3399: A bill for an act relating to education; appropriating money for school system videos.

Referred to the Committee on Education Finance.

Senator Cwodzinski introduced--

S.F. No. 3400: A bill for an act relating to health care facilities; modifying medication management services at assisted living facilities with dementia care; amending Minnesota Statutes 2024, section 144G.71, subdivision 1.

Referred to the Committee on Health and Human Services.

Senators Dibble, McEwen, Hoffman, and Pappas introduced--

S.F. No. 3401: A bill for an act relating to taxation; corporate franchise and unitary taxation; expanding the unitary group to foreign corporations; amending Minnesota Statutes 2024, sections 290.01, subdivision 19; 290.0132, by adding subdivisions; 290.0134, by adding subdivisions; 290.17, subdivision 4; repealing Minnesota Statutes 2024, section 290.21, subdivisions 9, 10.

Referred to the Committee on Taxes.

Senator Utke introduced--

S.F. No. 3402: A bill for an act relating to health; modifying the professions that may serve as a medical consultant for a community health board; amending Minnesota Statutes 2024, section 145A.02, subdivision 15.

Referred to the Committee on Health and Human Services.

Senator Fateh introduced--

S.F. No. 3403: A bill for an act relating to health; appropriating money for distribution to community health boards and Tribal governments for foundational public health responsibilities.

Referred to the Committee on Health and Human Services.

Senator Utke introduced--

S.F. No. 3404: A bill for an act relating to capital investment; appropriating money for a nine-county regional waste management system in northwest Minnesota; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rest introduced--

S.F. No. 3405: A bill for an act relating to taxation; modifying the expiration of the pass-through entity tax; amending Minnesota Statutes 2024, sections 289A.08, subdivision 7a; 290.06, subdivision 23a.

Referred to the Committee on Taxes.

Senator Hoffman introduced--

S.F. No. 3406: A bill for an act relating to arts and cultural heritage; appropriating money for Legacy Coordination Network Education Fund.

Referred to the Committee on Environment, Climate, and Legacy.

Senators McEwen and Utke introduced--

S.F. No. 3407: A bill for an act relating to workers' compensation; adopting recommendations from the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 176.011, subdivisions 9, 11; 176.041, subdivision 1; 176.135, subdivision 1; 176.151; 176.175, subdivision 2; 176.361, subdivision 2; 176.421, subdivision 4; repealing Minnesota Rules, part 5220.2840.

Referred to the Committee on Labor.

Senator Westrom introduced--

S.F. No. 3408: A bill for an act relating to health; modifying physician and medical resident eligibility for loan forgiveness under the health professional education loan forgiveness program; amending Minnesota Statutes 2024, section 144.1501, subdivision 1.

Referred to the Committee on Health and Human Services.

Senator Westrom introduced--

S.F. No. 3409: A bill for an act relating to transportation; authorizing issuance of cancer-related disability parking certificates; amending Minnesota Statutes 2024, section 169.345, subdivisions 2a, 3b, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Westrom introduced--

S.F. No. 3410: A bill for an act relating to education; authorizing certain fund transfers for fiscal years 2025, 2026, and 2027; allowing a school board to not comply with certain laws or rules.

Referred to the Committee on Education Policy.

Senators Abeler and Hoffman introduced--

S.F. No. 3411: A bill for an act relating to workforce development; appropriating money for a Center for Nursing Equity and Excellence at the University of Minnesota.

Referred to the Committee on Jobs and Economic Development.

Senator Howe introduced--

S.F. No. 3412: A bill for an act relating to peace officer and firefighter duty disability benefits; limiting the period of time that an employer must provide health insurance coverage; prohibiting a peace officer or firefighter from waiving the right to continued health insurance coverage; limiting attorney fees; amending Minnesota Statutes 2024, sections 299A.465, subdivision 1; 352B.101; 353.031, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senator Rest introduced--

S.F. No. 3413: A bill for an act relating to taxation; property; establishing a property tax exemption for certain property owned by an Indian Tribe; amending Minnesota Statutes 2024, section 272.02, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Frentz and Klein introduced--

S.F. No. 3414: A bill for an act relating to gambling; authorizing and providing for sports betting and fantasy contests; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting and fantasy contests; providing civil and criminal penalties; providing for amateur sports grants; providing for charitable gambling and modifying certain rates of tax on lawful gambling; providing for pari-mutuel horse racing; making clarifying, conforming, and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 240.01, subdivision 1b; 245.98, subdivision 2; 260B.007, subdivision 16; 270B.07, by adding a subdivision; 297E.02, by adding a subdivision; 349.12, subdivision 25; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116U; 240; 240A; 245; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

Referred to the Committee on State and Local Government.

Senator Johnson Stewart introduced--

S.F. No. 3415: A bill for an act relating to capital investment; appropriating money for improvements to water, sewer, and stormwater infrastructure and street reconstruction in the city of Minnetonka Beach; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Dibble moved that the name of Senator Clark be added as a co-author to S.F. No. 247. The motion prevailed.

Senator Howe moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 624. The motion prevailed.

Senator Coleman moved that the name of Senator Westrom be added as a co-author to S.F. No. 676. The motion prevailed.

Senator Boldon moved that the name of Senator Abeler be added as a co-author to S.F. No. 1347. The motion prevailed.

Senator Pappas moved that the name of Senator Nelson be added as a co-author to S.F. No. 1581. The motion prevailed.

Senator Kupec moved that the name of Senator Abeler be added as a co-author to S.F. No. 1986. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Wesenberg be added as a co-author to S.F. No. 2132. The motion prevailed.

Senator Pha moved that the name of Senator Abeler be added as a co-author to S.F. No. 2579. The motion prevailed.

Senator Carlson moved that the name of Senator Rest be added as a co-author to S.F. No. 2854. The motion prevailed.

Senator McEwen moved that the name of Senator Hauschild be added as a co-author to S.F. No. 2875. The motion prevailed.

Senator Westlin moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 2940. The motion prevailed.

Senator Frentz moved that the name of Senator Nelson be added as a co-author to S.F. No. 3141. The motion prevailed.

Senator Nelson moved that the name of Senator Boldon be added as a co-author to S.F. No. 3164. The motion prevailed.

Senator Abeler moved that the name of Senator Kupec be added as a co-author to S.F. No. 3239. The motion prevailed.

Senator McEwen moved that the name of Senator Carlson be added as a co-author to S.F. No. 3265. The motion prevailed.

Senator Putnam moved that the name of Senator Howe be added as a co-author to S.F. No. 3364. The motion prevailed.

Senator Pappas introduced --

Senate Resolution No. 32: A Senate resolution designating April as Ecocide Awareness and Prevention Month in the State of Minnesota.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 2298, H.F. No. 1792, S.F. No. 2847, H.F. Nos. 2184, 1014, 747, 129, and 1346.

SPECIAL ORDER

S.F. No. 2298: A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; establishing a task force on homeowners and commercial property insurance; transferring money; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 327C.095, subdivision 12; 462A.051, subdivision 2; 462A.07, subdivision 19, by adding a subdivision; 462A.2095, subdivision 3; 462A.33, subdivisions 2, 9; 462A.40, subdivision 3; Laws 2023, chapter 37, article 1, section 2, subdivisions 20, 21, 29, as amended; article 2, section 10; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 2024, sections 16A.287; 462A.43.

Senator Abeler moved to amend S.F. No. 2298 as follows (A22):

Page 14, after line 20, insert:

"Sec. 6. Minnesota Statutes 2024, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Limitation on rental increases.** A project awarded tax credits under this section must not increase rent in any 12-month period by a percentage exceeding the lesser of:

(1) the percent change in the Consumer Price Index for all urban consumers, as published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period; or

(2) the percent change in the area median income levels for a household size of four between the current and previous calendar years.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to rent increases that take effect on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kreun	McEwen	Port
Boldon	Fateh	Kunesh	Mitchell	Putnam
Carlson	Frentz	Kupec	Mohamed	Seeberger
Champion	Gustafson	Latz	Murphy	Westlin
Clark	Hawj	Mann	Nelson	Wiklund
Cwodzinski	Hoffman	Marty	Oumou Verbeten	Xiong
Dibble	Johnson Stewart	Mathews	Pappas	
Duckworth	Klein	Maye Quade	Pha	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Those who voted in the negative were:

Anderson	Drazkowski	Jasinski	Miller	Weber
Bahr	Green	Johnson	Pratt	Wesenberg
Coleman	Gruenhagen	Koran	Rarick	
Dahms	Hauschild	Lieske	Rasmusson	
Dornink	Housley	Limmer	Rest	
Draheim	Howe	Lucero	Utke	

The motion prevailed. So the amendment was adopted.

Senator Port moved to amend S.F. No. 2298 as follows (A21):

Page 22, line 1, delete "one member" and insert "two members" and before the semicolon, insert ", one with expertise in homeowners insurance and one with expertise in commercial insurance"

Page 22, line 7, delete "and"

Page 22, delete line 8, and insert:

"(13) one member appointed by the Professional Insurance Agents of Minnesota;

(14) one member appointed by the Minnesota Bankers Association;

(15) one member appointed by the Minnesota Commercial Real Estate Association;

(16) one member appointed by the Minnesota Multi Housing Association; and

(17) one member appointed by Ceres with expertise in climate risk mitigation and insurance markets."

Page 22, delete line 18, and insert:

"(2) the effect of liability laws on insurance costs and whether tort reform could reduce costs;"

Page 23, after line 18, insert:

"(3) make recommendations related to tort reform that could reduce insurance costs;"

Renumber the clauses in sequence

Senator Lucero moved to amend the Port (A21) amendment to S.F. No. 2298 as follows (A50):

Page 1, after line 15, insert:

"Page 22, line 25, delete the second "and"

Page 22, after line 25, insert:"(8) regulatory factors that increase insurance costs or decrease access to insurance products; and"

Renumber the clauses in sequence"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Port (A21) amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Lucero moved to amend S.F. No. 2298 as follows (A12):

Page 18, after line 16, insert:

"Sec. 10. Minnesota Statutes 2024, section 507.18, subdivision 5, is amended to read:

Subd. 5. **Discharge of restrictive covenants related to protected classes.** The owner of any interest in real property may record, at no cost, the statutory form provided in subdivision 6 in the

office of the county recorder of any county where the real property is located to discharge and release a restrictive covenant related to a protected class permanently from the title. This subdivision does not apply to real property registered under chapters 508 and 508A. The discharge of the restrictive covenant is valid and enforceable under the law of Minnesota when the statutory form provided in subdivision 6 is properly recorded, but the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant were contained therein. A restrictive covenant affecting a protected class is void regardless of whether a statutory form as provided for in this section has been recorded in the office of the county recorder in the county where the real property affected by the restrictive covenant is located.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2024, section 507.18, subdivision 6, is amended to read:

Subd. 6. **Filing; recording.** (a) The county recorder must accept the statutory form provided in this subdivision for recording when the form:

(1) has been executed before a notary;

(2) contains the legal description of the real property affected by the restrictive covenant related to a protected class;

(3) contains the date of recording of the instrument containing the restrictive covenant, and the volume and page number or document number of the instrument; and

(4) complies with all other recording requirements~~, and applicable recording fees have been paid~~.

(b) The commissioner of commerce must provide electronic copies of the statutory form in this subdivision to the public ~~free of~~ at no cost.

(c) The recording of this form does not alter or affect the duration or expiration of covenants, conditions, or restrictions under section 500.20 and may not be used to extend the effect of a covenant, condition, or restriction.

(d) The statutory form that follows may be used to discharge restrictive covenants on property that limit the ownership, occupancy, use, or financing based on protected class:

DISCHARGE OF RESTRICTIVE COVENANT AFFECTING PROTECTED CLASSES

Pursuant to Minnesota Statutes, section 507.18, any restrictive covenant affecting a protected class, including covenants which were placed on the real property with the intent of restricting the use, occupancy, ownership, or financing because of a person's race, color, creed, national origin, or religious beliefs, is discharged and released from the land described herein.

State of Minnesota, County of .....

I/we, ..., having an ownership or other interest in all or part of the real property described herein, solemnly swear that the contents of this

form are true to the best of my/our knowledge, except as to those matters stated on information and belief, and that as to those matters I/we believe them to be true.

Name and Address of Owner(s) .....

The real property owned by owner(s) is located in ..... County, Minnesota, and is legally described as follows:

OWNER(s), ..., swears and affirms that Owner(s) is/are 18 years of age or older and is/are not under any legal incapacity and that the information provided in this form is true and correct based on the information available and based on reasonable information and belief:

(1) a restrictive covenant which had the intent to restrict the use, occupancy, ownership, or financing of this property based on a protected class, including race, color, creed, national origin, or religion, existed at one time related to the property described in this form;

(2) the restrictive covenant is contained in an instrument dated ....., and recorded as Document Number ..... (or in Book ..... of ....., Page.....) in the Office of the County Recorder of ....., Minnesota;

(3) restrictive covenants relating to or affecting protected classes are unenforceable and void pursuant to Minnesota Statutes, sections 507.18 and 363A.09, the United States Constitution, and the Minnesota Constitution;

(4) Minnesota Statutes, section 507.18, provides for the discharge of a restrictive covenant of the nature described herein through the use of this statutory form to permanently discharge such covenants from the land described herein and release the current and future landowner(s) from any such restrictive covenant related to or affecting protected classes;

(5) the instrument containing such restrictive covenants shall have full force in all other respects and shall be construed as if no such restrictive covenant was contained therein; and

(6) the filing of this form does not alter or change the duration or expiration of covenants, conditions, or restrictions under Minnesota Statutes, section 500.20.

The affiant(s) know(s) the matters herein stated are true and make(s) this affidavit for the purpose of documenting the discharge of the illegal and unenforceable restrictive covenants affecting protected classes.

. . . . . .

Affiant (Owner(s) Signature)

Signed and sworn before me on .....
(Date), by
. . . . . (Affiant/Owner)

. . . . . .

Signature of Notary

Stamp

My commission expires . . . . . .

EFFECTIVE DATE. This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Draheim moved to amend S.F. No. 2298 as follows (A17):

Page 18, lines 11 and 13, after "the" insert "mean and"

Page 18, line 15, delete "and"

Page 18, line 16, delete the period and insert a semicolon

Page 18, after line 16, insert:

"(8) the number of each type of housing purchased, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing; and

(9) the mean and median price of each type of housing, including but not limited to single-family houses, townhouses, condominiums, and manufactured housing."

The motion prevailed. So the amendment was adopted.

Senator Port moved to amend S.F. No. 2298 as follows (A20):

Page 20, after line 18, insert:

"Sec. 13. **EVICTION PROCEEDINGS DELAYED; SECTION 8 HOUSING .**

(a) The definitions in Minnesota Statutes, section 504B.001, apply to this section.

(b) A landlord must not file an eviction action against a tenant based on nonpayment of rent until at least three months following the date of the first delinquent rent payment if:

(1) the tenant is residing in housing subsidized by the United States Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937; and

(2) the United States Department of Housing and Urban Development withholds the tenant's rental assistance payments.

(c) Nothing in this section supersedes or modifies obligations imposed upon the landlord by other law or contract and rights and remedies available to a tenant under other law or contract.

(d) This section expires on June 1, 2026.

EFFECTIVE DATE. This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Draheim questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 2298 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 24, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Johnson Stewart	McEwen	Pha
Boldon	Fateh	Klein	Miller	Port
Carlson	Frentz	Kunesh	Mitchell	Putnam
Champion	Gustafson	Kupec	Mohamed	Rest
Clark	Hauschild	Latz	Murphy	Seeberger
Coleman	Hawj	Mann	Nelson	Westlin
Cwodzinski	Hoffman	Marty	Oumou Verbeten	Wiklund
Dibble	Housley	Maye Quade	Pappas	Xiong

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

Those who voted in the negative were:

Anderson	Drazkowski	Jasinski	Limmer	Rasmusson
Bahr	Farnsworth	Johnson	Lucero	Utke
Dahms	Green	Koran	Mathews	Weber
Dornink	Gruenhagen	Kreun	Pratt	Wesenberg
Draheim	Howe	Lieske	Rarick	

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

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.

H.F. No. 1792 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Jasinski	Marty	Putnam
Anderson	Duckworth	Johnson	Mathews	Rarick
Bahr	Farnsworth	Johnson Stewart	Maye Quade	Rasmusson
Boldon	Fateh	Klein	McEwen	Rest
Carlson	Frentz	Koran	Miller	Seeberger
Champion	Green	Kreun	Mitchell	Utke
Clark	Gruenhagen	Kunesh	Mohamed	Weber
Coleman	Gustafson	Kupec	Murphy	Wesenberg
Cwodzinski	Hauschild	Latz	Nelson	Westlin
Dahms	Hawj	Lieske	Oumou Verbeten	Wiklund
Dibble	Hoffman	Limmer	Pappas	Xiong
Dornink	Housley	Lucero	Port	
Draheim	Howe	Mann	Pratt	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2847: A bill for an act relating to commerce; modifying various statutory forms pertaining to garnishment; amending Minnesota Statutes 2024, sections 550.136, subdivisions 6, 9; 550.143, subdivisions 2, 3a, 3b, 3c; 551.05, subdivisions 1b, 1c, 1d; 551.06, subdivisions 6, 9; 571.72, subdivisions 8, 10; 571.74; 571.75, subdivision 2; 571.912; 571.914, subdivision 2; 571.925; 571.931, subdivision 6; 571.932, subdivision 2.

Senator Boldon moved to amend S.F. No. 2847 as follows (A-2):

Page 101, delete sections 21 and 22 and insert:

"Sec. 21. Laws 2024, chapter 114, article 3, section 101, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~April~~ June 1, 2025, and applies to causes of action commenced on or after that date.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2025.

Sec. 22. **CONSTRUCTION AND APPLICATION.**

The forms in sections 1 to 20 must be made available on the state court website on or before June 1, 2025. The failure to use the forms as amended by sections 1 to 20 before June 1, 2025, is not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 23. **EFFECTIVE DATE.**

Sections 1 to 20 are effective June 1, 2025."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2847 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Johnson	Mathews	Rasmusson
Bahr	Farnsworth	Johnson Stewart	Maye Quade	Rest
Boldon	Fateh	Klein	McEwen	Seeberger
Carlson	Frentz	Koran	Miller	Utke
Champion	Green	Kreun	Mitchell	Weber
Clark	Gruenhagen	Kunesh	Mohamed	Wesenberg
Coleman	Gustafson	Kupec	Murphy	Westlin
Cwodzinski	Hauschild	Latz	Nelson	Wiklund
Dahms	Hawj	Lieske	Oumou Verbeten	Xiong
Dibble	Hoffman	Limmer	Port	
Dornink	Housley	Lucero	Pratt	
Draheim	Howe	Mann	Putnam	
Drazkowski	Jasinski	Marty	Rarick	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2184: A bill for an act relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2024, section 357.021, subdivision 1a.

H.F. No. 2184 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dahms	Green	Johnson Stewart	Lucero
Anderson	Dibble	Gruenhagen	Klein	Mann
Bahr	Dornink	Gustafson	Koran	Marty
Boldon	Draheim	Hauschild	Kreun	Mathews
Carlson	Drazkowski	Hawj	Kunesh	Maye Quade
Champion	Duckworth	Hoffman	Kupec	McEwen
Clark	Farnsworth	Howe	Latz	Miller
Coleman	Fateh	Jasinski	Lieske	Mitchell
Cwodzinski	Frentz	Johnson	Limmer	Mohamed

Murphy	Pratt	Rest	Wesenberg
Nelson	Putnam	Seeberger	Westlin
Oumou Verbeten	Rarick	Utke	Wiklund
Port	Rasmusson	Weber	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1014: A bill for an act relating to commerce; allowing the board of directors of the Minnesota Insurance Guarantee Association to request financial information from insureds; amending Minnesota Statutes 2024, section 60C.09, subdivision 2.

Senator Dahms moved to amend H.F. No. 1014 as follows (A-1):

Page 1, line 21, delete "board of directors" and insert "association"

Page 2, line 1, delete "board" and insert "association"

Page 2, line 2, delete "board's" and insert "association's" and delete "board" and insert "association"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1014 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Johnson	Mathews	Rasmusson
Anderson	Duckworth	Johnson Stewart	Maye Quade	Rest
Bahr	Farnsworth	Klein	McEwen	Seeberger
Boldon	Fateh	Koran	Miller	Utke
Carlson	Frentz	Kreun	Mitchell	Weber
Champion	Green	Kunesh	Mohamed	Wesenberg
Clark	Gruenhagen	Kupec	Murphy	Westlin
Coleman	Gustafson	Latz	Nelson	Wiklund
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Xiong
Dahms	Hawj	Limmer	Port	
Dibble	Hoffman	Lucero	Pratt	
Dornink	Howe	Mann	Putnam	
Draheim	Jasinski	Marty	Rarick	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 747: A bill for an act relating to business organizations; modifying the Minnesota Business Corporation Act; amending Minnesota Statutes 2024, sections 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 302A.

H.F. No. 747 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Johnson	Mathews	Rasmusson
Anderson	Duckworth	Johnson Stewart	Maye Quade	Rest
Bahr	Farnsworth	Klein	McEwen	Seeberger
Boldon	Fateh	Koran	Miller	Utke
Carlson	Frentz	Kreun	Mitchell	Weber
Champion	Green	Kunesh	Mohamed	Wesenberg
Clark	Gruenhagen	Kupec	Murphy	Westlin
Coleman	Gustafson	Latz	Nelson	Wiklund
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Xiong
Dahms	Hawj	Limmer	Port	
Dibble	Hoffman	Lucero	Pratt	
Dornink	Howe	Mann	Putnam	
Draheim	Jasinski	Marty	Rarick	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 129: A bill for an act relating to public safety; requiring director of child sex trafficking prevention to submit a program evaluation each odd-numbered year to the legislature; amending Minnesota Statutes 2024, section 145.4718.

H.F. No. 129 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Johnson	Mathews	Rasmusson
Anderson	Duckworth	Johnson Stewart	Maye Quade	Rest
Bahr	Farnsworth	Klein	McEwen	Seeberger
Boldon	Fateh	Koran	Miller	Utke
Carlson	Frentz	Kreun	Mitchell	Weber
Champion	Green	Kunesh	Mohamed	Wesenberg
Clark	Gruenhagen	Kupec	Murphy	Westlin
Coleman	Gustafson	Latz	Nelson	Wiklund
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Xiong
Dahms	Hawj	Limmer	Port	
Dibble	Hoffman	Lucero	Pratt	
Dornink	Howe	Mann	Putnam	
Draheim	Jasinski	Marty	Rarick	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, and Dornink.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1346: A bill for an act relating to maltreatment; modifying training requirements for mandatory reporters; amending Minnesota Statutes 2024, section 260E.065.

H.F. No. 1346 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Howe	Lucero	Pratt
Anderson	Drazkowski	Jasinski	Mann	Putnam
Bahr	Duckworth	Johnson	Marty	Rarick
Boldon	Farnsworth	Johnson Stewart	Mathews	Rasmusson
Carlson	Fateh	Klein	Maye Quade	Rest
Champion	Frentz	Koran	Miller	Seeberger
Clark	Green	Kreun	Mitchell	Utke
Coleman	Gruenhagen	Kunesh	Mohamed	Weber
Cwodzinski	Gustafson	Kupec	Murphy	Wesenberg
Dahms	Hauschild	Latz	Nelson	Westlin
Dibble	Hawj	Lieske	Oumou Verbeten	Wiklund
Dornink	Hoffman	Limmer	Port	Xiong

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dibble and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, and Dornink.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senators Lang and Westrom were excused from the Session of today. Senator Abeler was excused from the Session of today from 3:55 to 4:00 p.m. Senator Pappas was excused from the Session of today at 3:55 p.m. Senator Housley was excused from the Session of today at 4:00 p.m.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 23, 2025. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate